United Investments Ltd

2018 ANNUAL REPORT

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CHAIRMAN'S & CEO'S REVIEW

Didier Merven

Michel Guy Rivalland

Dear Shareholders,

On behalf of my fellow directors, I am pleased to present United Investments Ltd's ("UIL") annual report for the financial year ended 30th June 2018.

As you will remember from last year's annual report, UIL holds almost all of its investees in two investment companies, through 100% owned subsidiaries known as AXYS Ltd ("AXYS") and OXIA Ltd ("OXIA").

This was done to separate our financial services and non-financial services activities, with the view of gaining shareholder approval to proceed with a Scheme of arrangement ("Scheme"). This Scheme entails an exchange of AXYS and OXIA shares against UIL shares, and thereafter have AXYS listed on the Official market and OXIA on the Development and Enterprise market of the Stock Exchange of Mauritius.

Although this was attempted last year, we were unable to gain a 75% majority from our shareholders at the special meeting to approve the Scheme. At that time, our major shareholder who owns 29% of the voting rights did not believe that this would create any value for their shares, and consequently voted against the scheme.

A year later, we presented the same scheme to our shareholders again, with the exception that, every one share held by UIL will be exchanged for one share in AXYS and one share in OXIA, the resulting impact is that AXYS and OXIA will respectively hold 64% and 36% in the shareholding of UIL. Therefore, an ordinary resolution requiring only 51% acceptance was presented to our shareholders on the 19th of November 2018 and was overwhelmingly approved. At the time of writing, with the application to the sanction, the Scheme has been submitted to the Supreme Court for final ratification.

Below is an overview of our investment portfolio's performance during the period under review, separated into the two distinct clusters that we now operate through.

Overview of the Portfolio

AXYS (Financial Services Cluster)

Local Investees

AXYS Investment Partners ("AIP") – Asset Management

AIP profits improved significantly to Rs 6.6M from last year. Its continuous efforts to strengthen the investment team and making its operation more cost-effective and efficient is starting to pay off. The team continues to acquire institutional mandates based on its ability to deliver above market performances through rigorous investments and strong risk diversification investment policies.

Outlook 2019

AIP should reach its cruising speed next year and has just embarked on a 3-year strategic plan which should improve significantly the performance of its 4 clusters, namely Wealth Management, Portfolio Management, Fund Management and Distribution of Financial products.

CHAIRMAN'S & CEO'S REVIEW

Flexi Drive - Fleet Management

Turnover increased by 14% to reach Rs 89.5M, with a resulting profit after tax of Rs 5.7M which represents a 22% increase over last year. With favorable market conditions, a strategic change to the company's pricing structure and the onboarding of a new big clients, Flexi Drive encountered a steady fleet growth in FY 2018, all resulting in their best financial year since its inception in 2011.

Outlook 2019

With a slight market contraction of the motor vehicle market and with more competitive pressure, FY 2019 will be more challenging. To tackle this possibility, Flexi Drive has increased its selling force, will be more aggressive in terms of advertising and is finalising a strategic partnership to enhance the level of the services it offers.

SPICE Finance Ltd – Leasing and deposit taking services

SPICE Finance Ltd ended this financial year with a Profit before Tax of MUR 38.7M, compared to MUR 33.9M last year and representing an increase of 14.02%. Net investment in finance leases increased by 7.64%, from MUR 2,212.2M to MUR 2,381.1M whilst deposits from the public increased by 6.56% from MUR 3,011.7M to MUR 3,209.2M. Our Operating Lease Book stood at MUR 645.7M, compared to last years' MUR 631.2M. The Tier One Capital of the Company stood at Rs 333M as at 30 June 2018.

The Company continues to operate in a very competitive environment, stemming from not only other leasing companies but also from banks and insurance companies as well as newcomers. Banks benefit from a much lower cost of funds and have been very aggressive on the market. Despite this very challenging environment, the Company has managed to grow its balance sheet by 4.65% on the back of quality, rapidity and general excellence in our personalized service and offering. These characteristics have been key to our success so far. During the year under review, the Company has successfully rebranded its name and logo from AXYS Leasing Ltd to SPICE Finance Ltd on the 2nd of August 2017, which coincided with the Motorshow event in which we participate every year. Our new brand name has been widely welcomed by all our stakeholders. The Company has embarked on an ambitious project of revamping its software, which will also imply an automation and digitalization of its workflow process.

Outlook 2019

Going forward, this will allow SPICE to enhance its customer experience and work more efficiently. The automotive industry has seen record sales of cars, both new and reconditioned, over the last three consecutive years. However, this double-digit growth may not be the case for 2019, as the market seems to be slowing down. We remain cautiously optimistic with regards to the growth of our book with the pipeline in hand and we are looking at various opportunities on the market to diversify our business strategy.

AXYS Stockbroking – Brokerage services

Despite a highly competitive environment, AXYS Stockbroking had a solid exercise with PAT of Rs 11.1M, slightly exceeding our 2015 record.

Outlook 2019

The 2018-2019 financial year is expected to remain challenging as volumes remain under pressure. As we strive to build-up new income sources, some additional mandates should be concluded in order to positively impact our performance.

NWT (Mauritius) ("NWT") - Fiduciary services

This investee witnessed a significant drop in revenue as compared to the preceding year, following a revamping in the profile of its portfolio of clients. This reassessment was performed in connection with the notable changes in the regulatory framework that has been brought to the global business sector. However, the downside in the revenue was partly mitigated by fees received from several new clients onboarded during the financial year.

Outlook 2019

In view of the actual projects' pipeline, enhanced marketing efforts and the major improvements in customer centricity, NWT expects substantial revenue to be generated from the onboarding of clients during the next financial year. It is therefore forecasted that their results will shift from negative to positive in FY 2019. The strategy of the Mauritian operations now focuses on medium to big corporates as end user clients, contrary of its traditional client's profile.

NWT will also launch its web portal that will be accessible to its clients. The gateway will definitely lead to more effective communication and swift sharing of information with clients, thus enhancing operational efficiency.

Frontière Finance ("FF") - Fiduciary services

FF Group's revenue for the reporting year was stable compared to last year's, albeit a shortfall of USD51k which is mainly due to the loss of one client on a retainer fee. Profit after tax stood at USD 494K.

Outlook 2019

We expect to continue to face challenges with respect to the uncertainty around local regulatory and fiscal regime changes, both locally and worldwide. Increased compliance obligations will also add to the pressure on our costs. We expect our clients to place more emphasis on having substance in Mauritius. If we structure ourselves correctly, we should be in a position to seize these opportunities to enhance our service offering to our clients (through outsourced dedicated professionals, specialized services, office space, assistance to settle in Mauritius). The first quarter is encouraging as it points to an increased business activity at clients' level.

CHAIRMAN'S & CEO'S REVIEW

We are also looking at merging NWT and FF to create further synergies across our Mauritian fiduciary services.

Global Investees

APEXAFRICA Capital (Nairobi, Kenya) – Brokerage services
The 2017-2018 FY was marked by the uncertainty surrounding the General Elections during the first half of the year but was followed by a rebound in economic activity in the country coupled with a rejuvenation in investor confidence on the local stock exchange market.

Revenue was KES 75.7M. This may be attributed to the general rebound in economic activity in the country, coupled with a rejuvenation in investor activity on the local bourse following the long electioneering period witnessed in 2017 that was marked by heightened market uncertainty and diminishing investor confidence.

Revenue increased by 40% to KES 75.7M, resulting in reduced losses of KES 8.9M. A Profit after tax of KES 16M was registered due to an exceptional tax credit of KES 24.9M.

Outlook 2019
We are looking to diversify our product offering by distributing mutual funds and by starting a fixed income desk. This should have a positive impact on our revenue lines.

NWT Management & Conseil (Geneva, Switzerland) - Fiduciary services
The Geneva financial services business continued to be impacted by the changing Regulatory environment around the world. Full disclosure and transparency have resulted in some clients closing accounts, however our groups unique profile as a high-quality provider in Switzerland has enabled us to develop a substantial pipeline of business exceeding CHF2M in new annual revenue. Additionally, the drop in revenue from lost business has largely been compensated for by cost savings of over CHF 1 million made in 2018, plus further savings currently being implemented of CHF1.1 million and new service level agreements being signed whereby the Geneva operations will be back to stability.

Outlook 2019
The combination of significant cost savings of over 20%, in addition to the impact of the quality new business being signed up, positions the Group to take advantage of further opportunities for growth in the future.

AXYS Corporate Advisory ("ACA") – Corporate Finance services
The year ended on a substantial high with ACA acting as lead transaction advisor to GRIT Real Estate Income Group's main market listing on the London Stock Exchange ("LSE") and associated capital raise of USD 132M. Although the listing itself was completed in July 2018, ACA's work on the transaction dominated our activities through most of the second half of the financial year, and our work was largely completed by year-end. GRIT is the first Mauritian company to have had a main market listing on the LSE, and the first pan-African real estate group to be listed.

This achievement aside, ACA went through an internal restructuring during the year, including a recapitalization by shareholders, with a registration to a Corporate Advisory licence by the Financial Services Commission and a change in management. Although the company made a net loss in the year (turnover of USD 328.5K, loss after tax of USD 66.7K), this was heavily impacted by a slight delay in the GRIT listing, which meant revenue, linked to this project, will be recognised in this new financial year.

Outlook 2019
The above restructuring, together with the success of the GRIT listing and a number of major new transactions already in process, provide a positive base for the 2018-19 financial year, on which the ACA team intends to strongly capitalize. In addition to these new transactions, the company also has a strong pipeline across Africa, covering sectors as diverse as hospitality, banking, agriculture, forestry, education and telecoms.

OXIA (Non-Financial Services Cluster)

OXIA AGRO

Mechanization Company ("MECOM") – Sale& service of heavy machinery &equipment, Harvesting Operations, Hydraulics & Tyres
The expected recovery in the construction sector arrived late and MECOM could not benefit from it this year. However, orders have already been secured for the 2018-2019 financial year and will positively impact on the figures.

MECOM's main achievement was the setting up of the new power generation department, which should bring some positive results in the current financial year.

MECOM holds also investments in *PEX Hydraulics, Flexicom, La Moisson, SCETIA, Turborenov* and *Friction Evolution*, the latest being a joint venture with a South African specialist in refurbishment of brakes and clutches.

PEX Hydraulics and *Flexicom* achieved some good sales of compressors in Madagascar and obtained a big contract with a local gas supplier.

La Moisson, another 100% subsidiary of MECOM, had a difficult year mainly due to the low yield in the sugar cane sector.

CHAIRMAN'S & CEO'S REVIEW

SCETIA, despite achieving a better Turnover (+43%) and Gross Profit (+16%) than the previous FY while reducing operating expenses, had an overall negative result mainly due to the one-off write-off of 16M of bad debts and the pre-operational expenses of Friction Evolution, which only soft-launched its activities in April 2018.

SCETIA's main achievement was the securing of the Mont Choisy golf project, as well as a number of machinery replacements on other golf courses.

As for *Turborenov*, the late recovery of the construction sector did not come in time to enable these two business units to regain the expected profitability.

Outlook for 2019

With the new management structure being implemented, MECOM will strengthen its presence on the market and will be looking to develop the business in the region.

La Moisson will benefit from the outsourcing of the harvesting and transportation of cane from the main sugar producers in an effort to reduce costs further, motivated by the low sugar prices prevailing on the world market actually.

SCETIA will further strengthen its position as leaders on the golf market this year, and has also already achieved some strategic Club Car sales against our competitor. We shall meet if not exceed our budgeted sales this year.

Turborenov will be transferred to PEX early next year so as to achieve a better market coverage and take advantage of the booming construction sector, and at the same time, generate synergies.

Friction Evolution, despite being late on projected sales, has very interesting prospects and should achieve much better sales in a near future.

Island Renewable Fertilizers ("IRFL") – Sale and Application of liquid fertilisers

Turnover stood at Rs 187M (2017: Rs 221M). The prevailing actual market conditions in the sugar industry had an adverse impact on the revenue of IRFL. EBITDA stood at Rs 2.9M. (2017: Rs 26.6M.)

The fall in the global price of sugar and hence revenue from sale of sugar resulted in drastic cost-cutting policies adopted by sugarcane planters. Reduced funds were made available to the planters for their fertilisation program.

Even though competitors in granular fertilisers provided less costly fertilisers, there has been a huge pressure to cut prices to meet sugarcane planters' budget. In some cases, our prices were reduced, while in others it was not economically viable to do so. Some sugarcane planters shifted back to granular fertilisers despite the enhanced organic advantages of liquid fertilisers and the application services provided by IRFL to growers, which is more cost efficient for them.

The above conditions, coupled with a reduction in the average selling price, resulted in a fall in revenue to the tune of Rs 34M.

The Company's EBITDA stood at Rs (5M) in comparison to Rs 19M during the previous FY, and was negatively impacted by the fall in revenue in spite of some operational cost savings. Despite the challenges faced by the sugar industry, IRFL was able to maintain its gross margin constant at around 55%.

Outlook for 2019

IRFL expects more downward pressure on prices and margins of fertilisers for FY 2019, following the liberalization of EU production quotas for beet sugar producers effective as from the 1st October 2017, which has eliminated the trade preferences that used to be granted to local sugars producers in Europe. We are hopeful that acreage made available for fertilization will increase during the next crop season.

IRFL intends to merge its operations with Island Chemicals Ltd, under a new entity to be named Intego. The goal is to offer to their customers a combination of technical and operational expertise with an enhanced focus on service-oriented activities for a sustainable agriculture on the island and a diversification of client portfolio, from sugar cane to fruits and vegetable.

Clients responded positively to trials made on the use of pure CMS as soil amendment agent. As such, this service was provided to 321 Ha of land during the year. We expect to increase this acreage to 1,250 Ha for next year, with an additional usage of around 13,000 metric tons of pure CMS.

Island Chemicals ("ICL") – Sale of Agrochemicals products, equipment, accessories and greenhouses

ICL's turnover increased by 5% to Rs 70.62 million in 2018, mainly due to a better performance in the sales of Pesticides and more greenhouse projects completed compared to last year.

In spite of increased turnover, the company incurred a loss after tax of Rs (4.6M) (2017: Rs (5.7M)

Profit after tax was still negatively impacted by high finance and operational costs. EBITDA moved back into positive territory though.

Outlook 2019

Corrective operational measures were taken at the end of the last financial year to downside costs. ICL and IRFL will work together to create a synergy between

CHAIRMAN'S & CEO'S REVIEW

both companies so as to leverage on their technical and operational expertise and allow them to propose value added solutions to their customers.

OXIA TECH

Quantilab – Life Sciences
Turnover improved by 8.5% to reach Rs60.1M (2017- Rs55.36M), whilst PAT and EBITDA stood respectively at RS 1.86M and Rs 10.63M (2017- Rs 1.73M & Rs 11.69M)

Diversification of our client portfolio has progressed with revenues derived from food and environmental testing catching up on our previous core activity and our service to the public sector is growing. The cumulative number of clients has exceeded 334.

Our customer base is now spread over more than 20 countries. The laboratory was reassessed in 2017 and 2018 and has been awarded the prestigious ISO/ IEC 17025. During the last assessment exercise our scope of accreditation was extended with 3 new analytical methods.

Outlook 2019
Our Food Safety Audit Department is growing, and we are currently looking after 21 hospitality outlets.

In 2019, we will pursue our efforts to develop and validate new methods based on clients' requests to diversify our portfolio of analytical methods, and we will most probably be physically present outside Mauritius. Based on commercial feedbacks and market surveys, we expect a growth in turnover of between 15% and 18% in 2019.

Megabyte Investment – Information Technology
Megabyte Investment has invested in 4 entities namely, Megabyte Ltd, Multiglobal Systems ("MGS"), Industrial Coding Systems ("ICS") and recently Megabyte Finance.

Megabyte has been promoted by its partner HP becoming a Gold and Service One partner. This would expand its services on the island and also ensure a better quality of service.

On the other hand, MGS & ICS had a reorganisation of its management team, renewed partnerships with the main suppliers and the addition of three major sugarcane factories in our client reference list. MGS & ICS had a reduced profitability this year due to the above changes, and is expected to bounce back in the new financial year.

Group Turnover (Rs130M) increased by 32% compared to the previous year. Group Profit After Tax was (Rs8.3M), compared to a loss of (Rs3.6) the previous year. The loss was mainly linked to exceptional stock adjustments.

Outlook 2019
The group has set up Megabyte Finance, which will be the financing solution provider to package rental deals in an OPEX model, while Megabyte is on target to become an HP Managed Print Service Premier Partner.

The targets of MGS & ICS have been set with a consolidation of the client base, setting up of new centralised accounting & management system, road show locally and regionally with our main business partners in the course of 2019, in order to enhance our visibility and customer loyalty.

EMINEO – Engineering
The company completed construction works on a refinery project in Mozambique and consolidated its position in the EPCM market (engineering, procurement and construction management) with project involvement in Swaziland and the Ivory Coast.

A wholly-owned subsidiary was incorporated in Swaziland.

Turnover stood at RS 125M and PAT at Rs (18M). Results for FY 2017/18 were disappointing, with the sugar market, still our main sector of activity, lacking dynamism and major investment projects being delayed.

Outlook for 2019
The company is engaged in the engineering design and cost estimating of a new greenfield sugar project in Tanzania and is looking at prospects in the power cogeneration sector. The company has also engaged a drive towards market diversification.

Les Gaz Industriels ("LGI") – Manufacturing & Commerce
LGI's past year has been tough and challenging as a result of some non-traditional new entrants in the Mauritian medical gas sector. Consequently, the value of UIL's investment in LGI was reduced in line with the latter's share price quoted on the DEM. No dividends were received during FY 2018.

Outlook 2019
The diversification programme with regards to revenue stream is well under way and shall help LGI reduce its dependency and exposure to its historical sectors. LGI's latest new business line, the supply of medical equipment and consumables, has already been launched with additional revenues expecting during this financial year. LGI is also pursuing its regional development, namely in Madagascar, where

CHAIRMAN'S & CEO'S REVIEW

LGI's has now its own oxygen gas filling activity. We remain confident that the direction taken by LGI will secure benefit in the year to come.

OXIA HOSPITALITY

Attitude Hospitality ("AHL") – Hotel Management
AHL had a very good year, with all its hotels being fully operational and an average occupancy rate of 82%. Guest night spending increased by 13.5%. We are now the leading 3-4-star operator, and the second largest operator on the island with 1,100 rooms.

Group profit after tax reached Rs 294 M with EBITDA at Rs 501 M. it is expected that the first 6 months of the financial year will exceed budget. Both Bookings and rates show an improvement over last year. The second semester seems to be more challenging, more specifically for the month of January where bookings in hand at the time of writing are lower than last year. The booking trend has picked up and we hope this trend continues.

Outlook for 2019
The future of Attitude remains within our dedicated segment, and we will not be tempted to upgrade our resorts to 5 stars, as they are capital intensive, expensive to operate and would entail high costs of renovations.

Tourists that choose to stay in 5 Star hotels are generally high net worth individuals who normally pay these higher prices when economic times are good. When economic indicators are not favorable, these clients tend to look for cheaper accommodation, and therefore the first at risk would be 5 Star operators.

Looking forward, our expansion will consist of expanding the brand regionally and build economies of scale.

Conclusion
Overall, 2018 was disappointing in many respects, with our smaller investees struggling to make any headway in the difficult trading environment we've experienced in the last 12 months.

The shining light was definitely Attitude Hospitality, which continues to go from strength to strength. Their performance was outstanding in all aspects and on this trajectory, I believe this investment can do even better for the company next year. On a negative note, our other major investment in the AXYS cluster based in Geneva had to restructure its client portfolio to adhere to the changing regulatory environment in Europe, which saw many clients wind up their structures with us as they no longer served their purpose. This unfortunately had the effect of reducing our PAT but as mentioned previously, the management has already signed up new customers to replace the ones who have departed.

Acknowledgements
We would like to extend our thanks to the members of the board of Directors for their assistance and guidance during the year, to our Management and Staff for their on-going hard work, loyalty and dedication to their respective companies and to our Shareholders and Stakeholders for their continuing trust and confidence.

Didier Merven
Chairman

Michel Guy Rivalland
Chief Executive Officer

AXYS

CORPORATE PROFILE

The Directors have the pleasure of submitting the Annual Report of United Investments Ltd ("UIL" or "the Company") and its subsidiaries (the "Group") together with the audited financial statements for the year ended 30 June 2018.

Board of Directors

Mr. Didier MERVEN (Executive - Chairman)
Mr. Michel Guy RIVALLAND (Executive)
Mr. Kumar L. GUNNESS (Independent Non-Executive)
Mr. Pierre Arnaud Marc DE MARIGNY-LAGESSE
(Independent Non-Executive)
Mr. Nicolas Marie Edouard MAIGROT (Non-Executive)
Mr. Joseph Andre Philip Jean JUPPIN DE FONDAUMIERE
(Independent Non-Executive)
Mr. Marie Donald Henri HAREL (Non-Executive)

Board Committees

Audit Committee

Mr. Joseph Andre Philip Jean JUPPIN DE FONDAUMIERE (Chairman)
Mr. Kumar L. GUNNESS
Mr. Marie Donald Henri HAREL

Corporate Governance Committee

Mr. Pierre Arnaud Marc De MARIGNY-LAGESSE (Chairman)
Mr. Didier MERVEN
Mr. Nicolas Marie Edouard MAIGROT

Company Secretary

NWT Secretarial Services Ltd
(previously FWM Secretarial Services Limited)
6/7th Floor Dias Pier Building, Le Caudan Waterfront,
Caudan,
Port Louis

Registered Office

6/7th Floor Dias Pier Building, Le Caudan Waterfront,
Caudan,
Port Louis

Registrar and Transfer Agent

MCB Registry and Securities Ltd
Sir William Newton Street,
Port Louis

Auditors

Ernst & Young
9th Floor, NeXTeracom Tower 1,
Cybercity, Ebene

Bankers

The Mauritius Commercial Bank Limited,
Sir William Newton Street,
Port Louis
CORPORATE PROFILE (CONT'D)

AfrAsia Bank Limited
Bowen Square,
10 Dr Ferriere Street,
Port Louis

SBM Bank (Mauritius) Ltd
1, Queen Elizabeth II Avenue,
Port Louis 11328

ABC Banking Corporation Ltd
Weal House
Duke of Edinburgh Avenue
Place d'Armes
Port Louis 1132

Legal Adviser

BLC Robert & Associates
2nd Floor, the AXIS.
26 Cybercity,
Ebene 72201

CORPORATE GOVERNANCE REPORT

INTRODUCTION

United Investments Ltd ('UIL' / the 'Company') and its subsidiaries (together referred to as the 'Group') are committed to achieving high standards of corporate governance and recognise the importance of good governance to ensure continued growth and create sustainable value for all its stakeholders. UIL is an investment holding company listed on the Development and Enterprise Market of the Stock Exchange of Mauritius and as a Public Interest Entity ('PIE'), the Board of Directors (the 'Board') has made concerted effort to apply the principles as set out in the National Code of Corporate Governance for Mauritius (2016) (the 'Code') which is based on a 'apply and explain' basis.

PRINCIPLE 1: GOVERNANCE STRUCTURE

The Board is responsible in ensuring that the Group adheres to all relevant legal and regulatory requirements and remains committed to best governance practices for the benefit of all its stakeholders. The Board is also responsible in monitoring and assessing risks in order to ensure that the viability of the Group is sustained at all times. In addition, the Board ensures that its internal control systems and reporting arrangements are designed and set up so as to provide for the effective, prudent and efficient administration of its assets and liabilities. The Board is collectively responsible for the Group's leadership, strategy, values, standards, control, management and the long-term success of the Group.

The Group has started to apply some of the principles and recommended disclosures contained in the Code. It has developed an action plan to apply the Code fully during the current financial year end. Along this line, the Group's website will be revamped and the documents in line with the requirements of the Code will be published.

Since the Company is in a restructuration phase which will eventually entail the delisting of UIL, the Board under the recommendation of the Corporate Governance Committee has agreed not to adopt a Board Charter at this stage.

Key Governance Positions

<u>Chairman of the Board</u>

The key responsibilities of the Chairman of the Board are as follows:

- To preside over meetings, encourage participation of Directors in Board matters and mediate differences of opinion;
- To participate in the nomination of Directors to ensure that the Board has the right mix of competencies, skills, objectivity and expertise;
- To monitor and evaluate Board and directors' appraisals;
- To guide the Board and Senior Management, ensuring time for consultation, preparing of Board's agenda and minutes, and supervision of implementation of resolutions;
- To ensure adequate succession planning for the Directors and Management;
- To ensure that all relevant information on financial and operating matters are placed before the Board to enable Directors to reach informed decisions;
- To ensure adoption of good corporate governance practices; and
- To maintain relations with the shareholders of the Company and ensure that information is clearly communicated to them through appropriate disclosure.

Mr Jean Didier Merven is the Chairman of the Board and a brief overview of his profile can be found on page 16.

<u>Chief Executive Officer</u>

The key responsibilities of the Chief Executive Officer ('CEO') are as follows:

- To develop and implement the Group's long and short-term strategy with a view of creating shareholder value;
- To be responsible for the day to day management of the Group;
- To monitor and supervises all processes, work in progress and the activities of the Group as a whole; and
- To be the main point of contact between the Board and Management.

Mr Michel Guy Rivalland is the Chief Executive Officer and a brief overview of his profile can be found on page 16.

<u>Chairman of Audit Committee ('AC')</u>

The key responsibilities of the Chairman of the Audit Committee are as follows:

- To provide support and advice to the Chairman of the Board;
- To regularly review and assess the AC Terms of Reference;
- To report to the Board on the work of the AC on a timely and comprehensive manner;
- To schedule an appropriate number and the timing of AC meetings each calendar year so as to enable the AC to carry out its responsibilities diligently and effectively;
- To create the agenda for each AC meeting with a view to establishing the appropriate priorities, and fulfilling the obligations of the AC under its Terms of Reference;

CORPORATE GOVERNANCE REPORT

- To ensure that the AC receives all material to be discussed at the meeting in a timely manner in order to allow AC members sufficient amount of time to review the information provided with; and
- To ensure that an updated report of each AC meeting is presented to the Board.

Mr Joseph Andre Philip Jean Juppin De Fondaumière is the Chairman of the AC and a brief overview of his profile can be found on page 17.

Chairman of Corporate Governance Committee ('CGC')

The CGC also acts as the Nomination and Remuneration Committee and the key responsibilities of the Chairman of the CGC are as follows:

- To provide expertise in the areas of Corporate Governance;
- To ensure that the Board members receives regular and ongoing training and development;
- To oversee the production of the Annual Report each year;
- To review on an annual basis the remuneration policy of the Group;
- To recommend to the Board to accept or decline any tendered resignation of a Director; and
- To ensure that an update report of each CGC meeting is presented to the Board.

Mr Pierre Arnaud Marc De Marigny Lagesse is the Chairman of the CGC and a brief overview of his profile can be found on page 16.

AXYS Treasury Ltd (previously United Investments Treasury Ltd), a wholly owned subsidiary of UIL, provides management, consultancy and accounting services to the Company. The senior management team of the Group is as follows:

Michel Guy Rivalland
Group Chief Executive Officer

Please refer to page 16 for his profile.

Christine Dove
Group Financial Accountant

Christine is a qualified member of the Association of Chartered Certified Accountants (UK). She has previously worked for three years in the Audit department with DCDM and a further 3 years in the accounting team of Rogers Group. She joined AXYS Group in 2005 as a Financial Accountant where she headed the Accounts and Financial Department. In August 2010, Christine was appointed Group Financial Accountant for UIL Group.

Laurent Bourgault du Coudray
Project Manager

Laurent graduated in Accounting and Finance from Curtin University in Perth, Australia and is a member of the Institute of Chartered Accountants in Australia. He has worked over four years in Perth providing corporate and international tax services and from January 2013 up to now Laurent is a Project Manager at UIL.

Company Secretary

All Directors have access to the advice and services of the Company Secretary, NWT Secretarial Services Ltd, through its representative Mrs V.Oomadevi Chetty, who is responsible for providing guidance to the Board as to their duties, responsibilities and powers. The Company Secretary is appointed by the Board in accordance with the Company's Constitution.

The Company Secretary ensures that the Board procedures are followed and that applicable rules and regulations as well as principles of good governance are adhered to.

attitude

CORPORATE GOVERNANCE REPORT

DIRECTORSHIP OF THE GROUP AT 30 JUNE 2018

APEXAFRICA Capital Limited
- Azim Jamal VIRJEE
- Jitendrakumar Chhotabhai PATEL
- Charles Makori OMAGA
- Tejveer Singh RAI
- Louis Augustin Marie LALLIA
- Vikash TULSIDAS

Attitude Hospitality Ltd
- Maxime Jean Francois DESVAUX DE MARIGNY
- Georges Vincent DESVAUX DE MARIGNY
- Vincent GRIMOND
- Jean Didier MERVEN
- Jean Michel PITOT
- Marie Adrien Robert Michel PITOT
- Michel Guy RIVALLAND
- Deenesh SEEDOYAL
- Armelle BOURGAULT DU COUDRAY

AX Offshore Ltd
- Louis Augustin Marie LALLIA
- Didier MERVEN

AX International
- Didier MERVEN
- Michel Guy RIVALLAND
- Eendren VENCHARD
- Colin Richard WALKER
- Thierry VALLET

AX Holding
- Didier MERVEN
- Michel Guy RIVALLAND
- Eendren VENCHARD

AXYS Consulting DMCC
- Louis Augustin Marie LALLIA
- Didier MERVEN
- Michel Guy RIVALLAND
- Oliver Anthony HARE
- Mateen BEG

AXYS Group Ltd
- Didier MERVEN
- Michel Guy RIVALLAND

AXYS Holding Ltd
- Michel Guy RIVALLAND
- Sébastien PITOT

AXYS Investment Partners Ltd
- Constantin Robert Marie DE GRIVEL
- Marie Christine DOVE
- Louis Augustin Marie LALLIA
- Didier MERVEN
- Michel Guy RIVALLAND

AXYS Ltd
- Vasanthakogheelam Oomadevi CHETTY
- Omabhinavsingh JUDDOO
- Marie Joseph Henri R Roger KOENIG
- Didier MERVEN
- Michel Guy RIVALLAND

AXYS Patrimoine Ltd
- Michel Guy RIVALLAND
- Sébastien PITOT

AXYS Stockbroking Ltd
- Michel Guy RIVALLAND
- Vikash TULSIDAS
- Melvyn Yao Tsen CHUNG KAI TO

Emineo Ltd
- Jacques Arnaud DOGER DE SPEVILLE
- Michel Guy RIVALLAND
- Charles Paul Luc HAREL
- Robert Edgar Joseph NOEL

Emineo Holding Ltd
- Jacques Arnaud DOGER DE SPEVILLE
- Michel Guy RIVALLAND
- Charles Paul Luc HAREL
- Robert Edgar Joseph NOEL
- Bernard COUTEAUX

Four Oaks Advisors Ltd
- Louis Augustin Marie LALLIA
- Richard Nicholas CHARRINGTON
- Reenu Jadaw LILKUNT

Frontière Corporate Administrators Ltd
- Marie Claire GOOLAM HOSSEN
- Jenny WONG WONG CHEUNG

Frontière Finance International Ltd
- Rory Kenneth Denoon KIRK
- Margot PIENAAR

Frontière Finance Holdings Ltd
- Rory Kenneth Denoon KIRK
- Jenny WONG WONG CHEUNG
- David Charles AXTEN

Frontière Corporate Services Ltd
- Rory Kenneth Denoon KIRK
- Marie Claire GOOLAM HOSSEN
- Jenny WONG WONG CHEUNG

Frontière Finance Ltd
- Rory Kenneth Denoon KIRK
- Marie Claire GOOLAM HOSSEN
- Jenny WONG WONG CHEUNG

IFL Investment Holding Ltd
- Didier MERVEN
- Michel Guy RIVALLAND

Island Catch Ltd
- Didier MERVEN
- Michel Guy RIVALLAND

Island Chemicals Ltd
- Laurent BOURGAULT DU COUDRAY
- Dani Desire Emmanuel JOSEPH
- Michel Guy RIVALLAND

Island Fertilizers Logistics Ltd
- Didier MERVEN
- Michel Guy RIVALLAND

Island Renewable Fertilizers Ltd
- Laurent BOURGAULT DU COUDRAY
- Noel Gerard DE RAVEL
- Didier MERVEN
- Michel Guy RIVALLAND

La Moisson Ltee
- Isabelle ADAM
- Luc BAX DE KEATING
- Joseph Claude Alain NOEL

Les Gaz Industriels Ltee
- Sivavalan MOODELEY
- Catherine MCILIRAITH
- Antoine Louis HAREL
- Johannes Kruger MARIUS
- Edouard Philippe Christopher HART DE KEATING
- Laurent BOURGAULT DU COUDRAY

CORPORATE GOVERNANCE REPORT

Lombard Management Services Ltd
- Didier MERVEN
- Michel Guy RIVALLAND
- Vikash TULSIDAS
- Eendren VENCHARD

Mechanization Company Ltd
- Isabelle ADAM
- Luc BAX DE KEATING
- Laurent BOURGAULT DU COUDRAY
- Harold James MAYER
- Michel Guy RIVALLAND
- Joseph Claude Alain NOEL
- Denis Robert Wiehe LAGESSE
- Marie Joseph Henri R Roger KOENIG

Megabyte Investment Ltd
- Thierry GIRAUD
- Michel Guy RIVALLAND

Megabyte Ltd
- Thierry GIRAUD
- Michel Guy RIVALLAND

NWT (Mauritius) Limited
- Didier MERVEN
- Michel Guy RIVALLAND
- Vikash TULSIDAS
- Eendren VENCHARD

NWT Caversham SA
- Colin WALKER
- Michel Guy RIVALLAND
- Christian DAYER
- Anna NYDEGGER

NWT Management SA
- Colin WALKER
- Judith CHATOO
- Christian DAYER
- Anna NYDEGGER

NWT Suisse Conseil SA
- Colin WALKER
- Judith CHATOO
- Anna NYDEGGER
- Frederic RAGNO
- Benjamin VERNE

OXIA Ltd
- Vasanthakogheelam Oomadevi CHETTY
- Omabhinavsingh JUDDOO
- Laurent BOURGAULT DU COUDRAY
- Didier MERVEN
- Michel Guy RIVALLAND

OXIA Agro Ltd
- Laurent BOURGAULT DU COUDRAY
- Didier MERVEN
- Michel Guy RIVALLAND

OXIA Hospitality Ltd
- Laurent BOURGAULT DU COUDRAY
- Didier MERVEN
- Michel Guy RIVALLAND

OXIA Tech Ltd
- Laurent BOURGAULT DU COUDRAY
- Didier MERVEN
- Michel Guy RIVALLAND

Parts Supply Services Limited
- Bertrand QUEVAUVILLIERS

Quantilab Holding Ltd
- Didier MERVEN
- Michel Guy RIVALLAND
- Hubert G. G. J. LECLEZIO
- Geraldine Paule Freddy JAUFFRET

Quantilab Ltd
- Didier MERVEN
- Michel Guy RIVALLAND
- Hubert G. G. J. LECLEZIO
- Guy Joseph Bertrand BAUDOT
- Geraldine Paule Freddy JAUFFRET
- Antoine Joseph Frantz MERVEN
- Rajkamal TAPOSEEA

S.C.E.T.I.A Holding Ltd
- Luc BAX DE KEATING
- Jan F L Gaetan BOULLE
- Michel Guy RIVALLAND
- Bertrand QUEVAUVILLIERS
- Joseph Marie Clement Labauve D'Arifat REY

SPICE Finance Ltd
- Laurent BOURGAULT DU COUDRAY
- Sébastien PITOT
- Albert Pierre Gilbert POISSON
- Vikash TULSIDAS
- P. J. P. Edouard ESPITALIER NOEL
- Marie D F Sylvain PASCAL
- Ouma Shankar OCHIT

CORPORATE GOVERNANCE REPORT

PRINCIPLE 2: THE STRUCTURE OF THE BOARD AND ITS COMMITTEES

The aim of the Board of UIL is to create the right balance and composition in such a way as to best serve the Company. Given the size and the sector of activities of the Group, the Directors consider that the current Board is of reasonable size and possesses the appropriate mix of competencies, experience, skill and independence to efficiently manage the affairs of the Company. However, the Board took cognizance of the requirement of the Code with regards to gender balance and is actively looking for a suitable candidate with required knowledge, skills and experience to add value to the Board.

The Group is currently managed by a unitary Board of seven members, all residents of Mauritius, out of whom two (2) are Executive Directors, two (2) are Non-Executive and three (3) are Independent Non-Executive Directors.

Directors' Profile

The profiles of the Board Members at 30 June 2018 are as follows:

Jean Didier Merven (Didier Merven)
Executive Director - Chairman

Didier Merven set up in 1992 Portfolio Investment Management Ltd (PIM), one of the very first professional portfolio management companies in Mauritius. Over the following 26 years, Didier Merven has significantly contributed to the diversification of the financial services activities of the Group and continues to oversee the investment management for the high net worth clients.

Directorship in other listed companies: Novus Properties Ltd, Novare Africa Fund PCC in respect of its cell Novare Africa Property Fund One.

Michel Guy Rivalland (Michel Rivalland)
Executive Director

Michel Rivalland is a graduate in Economics, Bsc (Hons), from UK. He joined AXYS Group in 1999, and became a shareholder and Director in 2002. Since 1st July 2010 he occupies the role of CEO of United Investments Ltd.

Michel Rivalland has been instrumental in transforming what started off as an asset management company into a diversified financial services group whose services include securities brokerage, advisory services, fiduciary services, asset financing and deposit taking.

Directorship in other listed companies: Attitude Property Ltd, Les Gaz Industriels Ltd and Novus Properties Ltd.

Pierre Arnaud Marc De Marigny Lagesse (Marc Lagesse)
Independent Director

Marc Lagesse currently holds directorship in several companies operating in different sectors of the Mauritian economy. He was until recently the Chief Executive Officer of the Hertshten Group, a Mauritian based holding company with operations in 7 countries across the globe involved in international derivatives markets and property. Marc Lagesse was previously the CEO of MCB Capital Markets, part of the MCB Group where he spent 15 years. Marc Lagesse has a BSc in Statistics and Economics from University College London and an MBA from the London Business School.

Directorship in other listed companies: Medine Ltd and Excelsior United Development Companies Limited

CORPORATE GOVERNANCE REPORT

Joseph Andre Philip Jean Juppin De Fondaumière (Jean De Fondaumière)
Independent Director

Jean De Fondaumière is a Chartered Accountant of Scotland. He worked in Australia for eleven years and he retired as the Chief Executive Officer of the Swan Group at the end of 2006 after fifteen years with the group. He is a past Chairman of The Stock Exchange of Mauritius and his former directorships include companies operating in the African, Indian Ocean and Asia Pacific regions. Jean De Fondaumière currently holds a portfolio of directorships in Mauritius for companies operating in commerce, finance, power generation, sugar and tourism industry.

Directorship in other listed companies: Alteo Ltd, Constance Hotels Services Ltd, Constance La Gaité Company Ltd, Hotelest Ltd and Lux Island Resorts Ltd.

Kumar L. Gunness
Independent Director

Kumar Gunness qualified as a pharmacist from John Moors University, Liverpool, UK. He has a wide ranging business experience locally and overseas. He is currently the Managing Director and the largest shareholder of the Unicorn Group of companies as well as being director of other local and overseas companies.

Directorship in other listed companies: None.

Nicolas Marie Edouard Maigrot (Nicolas Maigrot)
Non-Executive Director

Nicolas Maigrot is the Managing Director of Terra Mauricia Ltd since 1st January 2016. He started his career as Management Controller at Floreal Knitwear in 1989. He headed the Mauritius and Madagascar operations between 1995 and 1998 and was appointed as Chief Executive Officer of Floreal Knitwear in 2003 and of Ciel Textile (knits and knitwear division) in 2009. He was then recruited as Chief Executive Officer of Ireland Blyth Limited in 2010, a post he held until 2015.

Directorship in other listed companies: Terra Mauricia Ltd, Swan General Ltd and United Docks Ltd

Marie Donald Henri Harel (Henri Harel)
Non-Executive Director

Henri Harel first worked in South Africa as an auditor with De Ravel, Boulle, Saad & Wyman (Chartered Accountants). He then occupied the post of Internal Auditor with Toyota S.A. Manufacturing and that of Financial Accountant at Amalgamated Beverage Industries Ltd (Coca-Cola). Upon his return to Mauritius in 1991, he worked for Société de Gérance de Mon Loisir as Financial Controller until 1996, when he joined Harel Frères Limited in a similar position. He is at present Terra's Group Chief Finance Officer and a Management Committee member. He has also been the Chairman of the Sugar Industry Pension Fund and of its Finance and Investment Committee.

Directorship in other listed companies: Terra Mauricia Limited and Swan Insurance Co. Ltd.

Directors' and Officers' interests in UIL's shares

The Directors follow the principles of the model code on securities transactions as detailed in the Mauritius Stock Exchange listing rules and in accordance with the Companies Act 2001, written records of the interests of the Directors and their closely related parties in the shares of the Company are kept in a Register of Directors' Interests ('The Register') by the Company Secretary. The Register is available to shareholders upon request to the Company Secretary.

CORPORATE GOVERNANCE REPORT

As soon as a Director becomes aware that he is interested in a transaction or that his holdings or his associates' holdings have changed, the interest should be reported to the Group. The Register of Interests is updated with every transaction entered into by the Directors and persons closely associated with them. When it appears to be a conflict of interest, any Director who could have such a conflict of interest will abstain from discussions at Board meetings when the relevant matter is tabled.

Moreover, pursuant to the Securities Act 2005, UIL registered itself as a reporting issuer with the Financial Services Commission ('FSC') and makes every effort to follow the relevant disclosure requirements. The Group keeps a Register of its Insiders and the said register is updated with the notification of interest in securities submitted by the Directors, the officers and the other insiders of UIL.

List of Directors' Direct and Indirect Interest in UIL as at 30 June 2018

Directors	Direct Shareholding Percentage	Indirect Shareholding Percentage
Jean Didier Merven	-	4.488
Michel Guy Rivalland	8.70	-
Pierre Arnaud Marc De Marigny Lagesse	0.245	-
Joseph Andre Philip Jean Juppin De Fondaumière	-	-
Kumar L. Gunness	0.009	0.159
Nicolas Marie Edouard Maigrot	-	-
Marie Donald Henri Harel	-	0.014

Board Meetings

The Board holds a minimum of four Board meetings annually and Special Board meetings are convened when necessary. During the year under review a total of eight Board meetings (including Special Board meetings) were held.

Board Committees

In line with best practice and good corporate governance principles, the Board of Directors of UIL has delegated clearly defined responsibilities to Board Committees. These Board Committees operate within clearly defined Terms of Reference and provide assistance to the Board and its Directors in discharging their duties through a more comprehensive evaluation of specific issues. The Board Committees report regularly to the Board to whom they submit their recommendations. The Company Secretary also acts as secretary to all Board Committees.

The salient points of the Terms of Reference of the Board Committees are as follows:

Audit Committee

The Audit Committee assists the Board of Directors in fulfilling part of its duties and responsibilities in relation to the safeguarding of assets, the operation of adequate systems, control processes and the preparation of accurate financial reporting and statements according to applicable legislations and accounting standards.

Composition of the Audit Committee:

- Joseph Andre Philip Jean Juppin De Fondaumière – Independent Director (Chairperson)
- Kumar L. Gunness – Independent Director
- Marie Donald Henri Harel – Non-Executive Director

CORPORATE GOVERNANCE REPORT

The profiles and qualification of the members of the Audit Committee ('AC') are disclosed on page 17. The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities their role requires. Reasonable resources are made available to the AC to discharge its functions properly with the cooperation of Management. The internal & external Auditors have unrestricted access to the members of the Audit Committee. The core functions of the Audit Committee are to:

- Review the appropriateness of the accounting policies and assess the effectiveness of the systems of internal controls and auditing processes in the day-to-day management of the Group;
- Determine the balance between the scope of financial and operational priorities to ensure, procedurally, a value-added contribution to the interactive processes governing both the economic imperatives and effectiveness of internal controls of UIL;
- Facilitate communication between the Board, Management and internal and external auditors; and
- Serve as an independent arbitrator to the stakeholders of the Group.

During the year under review, the Audit Committee met on 4 occasions and the external and internal auditors are requested to attend the meetings as and when required.

Corporate Governance Committee

The Corporate Governance Committee which also acts as the Remuneration Committee and Nomination Committee met on 4 occasions during the year.

Composition of the Corporate Governance Committee:

- Pierre Arnaud Marc De Marigny Lagesse – Independent Director (Chairperson)
- Jean Didier Merven – Executive Director
- Nicolas Marie Edouard Maigrot – Non-Executive Director

The Corporate Governance Committee is responsible for making recommendations to the Board of Directors on, inter alia, the following:

- All corporate governance provisions to be adopted so that the Board remains effective and complies with prevailing corporate governance principles;
- All the essential components of remuneration; and
- All new Board and senior executive nominations.

Board and Committees Attendance

During the year under review, attendance at Board and Committees meetings were as follows:

Directors	Board	Audit Committee	Corporate Governance Committee
	Attendance	Attendance	Attendance
Jean Didier Merven	8 out of 8		4 out of 4
Michel Guy Rivalland	8 out of 8		
Pierre Arnaud Marc De Marigny Lagesse	7 out of 8		4 out of 4
Joseph Andre Philip Jean Juppin De Fondaumière	6 out of 8	4 out of 4	
Kumar L. Gunness	5 out of 8	4 out of 4	
Nicolas Marie Edouard Maigrot	6 out of 8		2 out of 4
Marie Donald Henri Harel	5 out of 8	3 out of 4	

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CORPORATE GOVERNANCE REPORT

PRINCIPLE 3: DIRECTOR APPOINTMENT PROCEDURES

The Corporate Governance Committee reviews the proposal for the appointment of prospective Directors and makes recommendation to the Board. Major factors that are considered in the appointment procedures are:

- Skills, knowledge and expertise required on the Board;
- Skills, knowledge and expertise of the proposed Director;
- Previous experience as a Director;
- Balance on the Board such as gender and age;
- Fees requested by prospective Director;
- Independence where required; and
- Potential conflict of interest.

The appointment of new directors is subject to confirmation by shareholders at the next Annual Meeting of Shareholders.

The Constitution of the Company does not provide for election of Directors on a regular basis at the Annual Meeting of Shareholders and the Board will consider amending the Constitution so that the election of Directors is done on annual basis in line with the requirement of the Code.

Succession planning, induction and Continuous Development Programme

The Board is also responsible for the succession planning and induction of new Directors. Newly appointed Directors receive a complete induction pack which includes his or her duties and responsibilities under the respective legislations. The CGC has started to formulate plans for the succession of Directors and key office holders and same will be finalised during the current financial year end.

Though the Board does not organize or enrol its members on specific training sessions, it encourages all its Directors to keep on enhancing their knowledge and competencies through development programmes offered by various institutions in Mauritius such as the Mauritius Institute of Directors.

PRINCIPLE 4: DIRECTOR DUTIES, REMUNERATION AND PERFORMANCE

Legal Duties

The Group is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. This commitment, which is actively endorsed by the Board, is based on the fundamental belief that business should be conducted honestly, fairly and legally.

All the Directors on the Board are fully apprised of their fiduciary duties as laid out in the Companies Act 2001.

Code of Ethics

The Code of Ethics which includes a section on whistle blowing procedure and conflict of interest has been drafted by the Group Human Resource Manager, reviewed by the CGC and will be recommended to the Board for approval.

Related party transactions

For the purpose of this financial statements, parties are considered to be related to the Group if they have the ability to directly or indirectly control the Group or exercise significant influence over the Group in making decisions. Related party transactions are disclosed on page 84 of the Financial Statements.

CORPORATE GOVERNANCE REPORT

Board Evaluation

Good governance encourages the Board to undertake a formal, regular and rigorous evaluation of its own performance and that of its Committees and individual Directors and produce a development plan on an annual basis.

The next Board evaluation will be carried out during the current financial year.

Statement of Remuneration Policy

The remuneration policy is focused on optimizing performance within the Group while taking into account the efforts and merits of the personnel. The remuneration of Directors is dealt with by the Corporate Governance Committee which is thereafter ratified by the Board upon the recommendations of the said committee.

Remuneration of Directors

All Non-Executive Directors receive a remuneration consisting of an annual fixed fee and an additional fee for each Board meeting attended by them. The Non-Executive Directors sitting on the Board Committees receive an attendance fee for each committee meeting attended by them and the Chairman of each Committee additionally receives a fixed annual fee as shown hereunder:

Board	**Fees**
Annual fixed Fee	MUR 50,000
Attendance fee	MUR 10,000
Audit Committee	**Fees**
Chairperson's fee	MUR 50,000
Attendance fee	MUR 25,000
Corporate Governance Committee	**Fees**
Chairperson's fee	MUR 50,000
Attendance fee	MUR 25,000

Directors Remuneration and Benefits

The Directors' remuneration and benefits in relation to the Board and Committees for the year under review is shown in the table below:

CORPORATE GOVERNANCE REPORT

Directors	Category	Remuneration and benefits from the Company	Remuneration from Investee companies	Total
		MUR	MUR	MUR
Jean Didier Merven	ED	1,000,000	3,135,021	4,135,021
Michel Guy Rivalland	ED	-	5,389,695	5,389,695
Pierre Arnaud Marc De Marigny Lagesse	INED	170,000	-	170,000
Joseph Andre Philip Jean Juppin De Fondaumière	INED	695,000	-	695,000
Kumar L. Gunness	INED	125,000	-	125,000
Nicolas Marie Edouard Maigrot	NED	-	-	-
Marie Donald Henri Harel	NED	-	-	-

ED: Executive Director; **NED**: Non - Executive Director; **INED:** Independent Non-Executive Director.

Information Technology and IT security

The Board of Directors is aware that a strategic alignment of information security with business strategy is important to achieve organisational goals. As such, it ensures that appropriate resources are allocated for the implementation of an information and IT security framework within the organisation.

The Board is responsible to ensure that adequate controls and information systems are in place to implement the Group's policy on IT which also falls under the Operational Risks of the Group.

PRINCIPLE 5: RISK GOVERNANCE AND INTERNAL CONTROL

The Directors are responsible for maintaining an effective system of risk management and internal control. The governance of risk, the nature and risk appetite of the Group remain the ultimate responsibility of the Board which is assisted by Management to monitor, implement and enforce internal controls to minimise risk as well as achieve strategic objectives.

While it is not possible to identify or anticipate every risk due to the changing business environment, the Group has an established risk management process to manage and mitigate those key risks which could impact on its activities. The process for identifying and managing risks are set by the Board and monitored by the AC.

The AC reports to the Board on a quarterly basis on the findings and recommendations of the independent internal auditors, amongst others, and recommends remedial actions on any material shortcomings that may have arisen. Significant issues, if any, are however raised at once with AC members.

The main risks that have been identified are described below:

1. Operational Risks

The risk of loss or costs resulting from human errors, inadequate or failed internal processes and systems or external events and adverse market conditions. Operational risk includes, Human Resource, Business Continuity, Compliance and Reputational IT risks among others. These losses may be caused by one or more of the following:

CORPORATE GOVERNANCE REPORT

(a.) Human Resource risk

Personnel responsible for managing and controlling different business process do not possess the requisite knowledge, skills and experience needed to ensure business objectives are achieved and business risks are reduced to an acceptable level. A dedicated and relevant training programme has been implemented to ensure that human resource risk is reduced to an acceptable level within the Company and its investee companies.

(b.) Business continuity risk

The capability of the Company and/or its investee companies to continue critical operations and processes is highly dependent on availability of information technologies, skilled personnel and other relevant resources. A dedicated and relevant business interruption plan has been set up, which involves amongst other things the duplication of records and information systems in order to continue operations in the event of an unforeseen event causing interruption of operations.

(c.) Legal and Compliance risk

Laws, guidelines and regulations may change at any point in time. The risk of not complying with laws, regulations and policies, that results in lost revenue, higher costs, unnecessary delays and fines which may impact the operations and functioning of the business. Management of the investee companies and a compliance department monitor these risk issues regularly.

(d.) Reputational risk

Losses and/or opportunity gain foregone resulting from damages to the reputation of the Group and/or its investee companies, by various factors such as compliance failures, underperformance, negative media coverage could result in revenue loss and destruction of shareholder value and breakdown of trust from clients and the public. Management of UIL and its investee companies proactively analyses trends that might lead to threats to the reputation of UIL and its investee companies and promptly act to mitigate the threats identified.

2. Financial Risks

UIL being an investment company, its performance is directly linked to the performance of its investee companies namely AXYS Group Ltd, Megabyte Ltd, Attitude Resorts Ltd, Quantilab Ltd, Les Gaz Industriels Ltee, AXYS Investment Partners Ltd, AX International Ltd, AX Holding Ltd as well as Mechanization Company Ltd.

Please refer to note 25 of the financial statements for details of the financial risks of the Group and how these are mitigated

3. Strategic Risks

Strategic risks are risks that affect or are created by a company's business strategy and strategic objectives. This risk might arise from making poor business decisions, from the substandard execution of decisions, from inadequate resource allocation, or from a failure to respond well to changes in the business environment.

CORPORATE GOVERNANCE REPORT

PRINCIPLE 6: REPORTING WITH INTEGRITY

The Board is responsible for the preparation of the financial statements in accordance to the International Financial Reporting Standards and the Companies Act 2001 which fairly present the state of affairs of the Company and the Group and the Companies Act 2001. The financial and operational performance of the Group are detailed in the Annual Report.

This report along with the Annual Report of the Group is published in its entirety on the Group's website **http://www.uil.mu/.**

Environment, Health, Safety and Social Issues & Sustainability Reporting

The Group is committed to social and environmental responsibility. It believes that a healthy and well cared society is essential to a sustainable future, one in which it endeavours to invest, as much financially as socially. To that end, the Group Corporate Social Responsibility commitments focus on three main areas of intervention, namely education and training, sports and leisure and the environment. The Group is also committed to providing and maintaining a healthy and safe working environment for its employees and to ensure compliance to group efforts in relation to environmental and social betterment.

UIL and its investee companies staff were asked to think of ways and means to reduce the amount of paper used through copying and printing in order to help fight against deforestation and in order to help reduce their carbon footprint. Various contracts were reviewed, fonts were reduced, and a substantial amount of paper was saved through some basic and simple measures.

PRINCIPLE 7: AUDIT

Internal audit

The Board ensures that its internal control systems and reporting arrangements are such so as to provide for the effective, prudent and efficient administration of the Company's as well as the investee companies' assets and liabilities.

To ensure that the system of internal control is operating to an acceptable standard and that the risk management policies in place are adequate in managing risks in a manner acceptable to the Board, the Company has outsourced its internal audit function to Messrs UHY & CO who reports to the Audit Committee. The Audit Committee assesses the independence of the internal Audit function and is satisfied of its independence.

Internal audits of the Company and of its investee companies are done on a rotational basis depending on factors like materiality, risks involved, adequacy of controls with the intention that every entity's processes are covered at least every three years. UHY & CO have unlimited access to the Group's and to its non-reporting investee companies' accounting database, administrative systems and documents and to the Company directors and officials. In addition UIL derives comfort from internal audits carried on separately by a number of its reporting investee companies.

Internal Audit reports prepared by Messrs UHY & CO are circulated to Management and members of the AC following which necessary recommendations are made to the Board.

During the year under review no material internal control failures which are likely to impact negatively on the risk factors mentioned in Principle 5 above have been identified.

CORPORATE GOVERNANCE REPORT

External Audit

The current auditors are Messrs Ernst & Young (E&Y) and their tenure of office will be reviewed in due course during the external audit tender exercise which will be carried out for the next financial year in line with good governance.

The AC is responsible for reviewing the external auditors' letter of engagement, terms and nature of the audit scope and approach and ensure that no restrictions or limitations have been placed on their scope. The external auditors report directly to the AC which is also responsible for monitoring the external auditors' independence, objectivity and compliance with ethical, professional and regulatory requirements.

The financial statements and accounting policies applicable are discussed in the audit committee. Auditors are expected to observe the highest standards of business and professional ethics and, in particular, that their independence is not impaired in any manner. Audit fees are set in a manner that enables an effective external audit and are as per table below for the year under review.

Non-audit services

The Audit Committee, has a process in place to ensure that there is no threat to the objectivity and independence of external auditors in the conduct of their audit, resulting from the provision of non-audit services by them. As such, non-audit services, which are limited to ad hoc advice and other assurance related services, are pre-approved by the Audit Committee.

The fees paid to the Auditors, for audit and non-audit services were:

	THE GROUP		THE COMPANY	
	2018	2017	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000
Audit fees	850	550	850	550
Other services	-	-	-	-
	850	550	850	550

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CORPORATE GOVERNANCE REPORT

PRINCIPLE 8 – RELATIONS WITH SHAREHOLDERS AND OTHER KEY STAKEHOLDERS

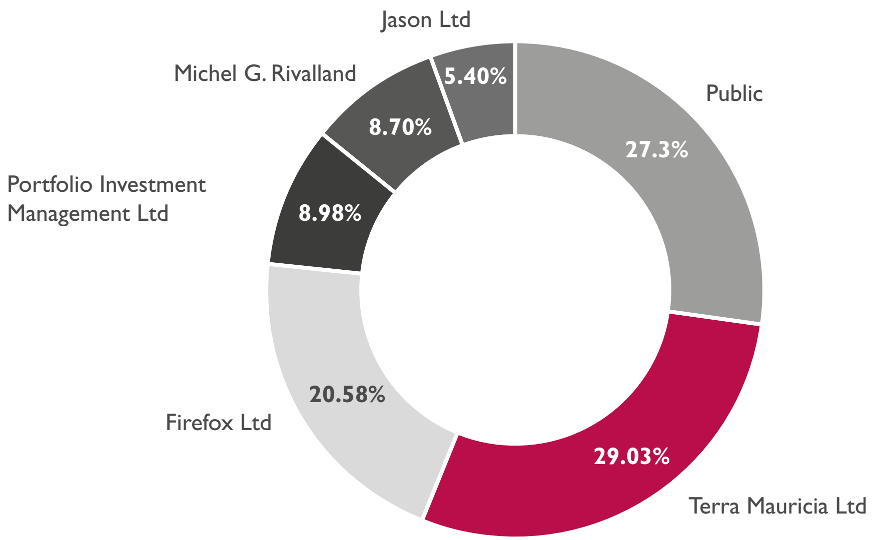
Shareholders’ relation and communication

The Board of Directors places great importance on an open and transparent communication with all the stakeholders of the Group The Group communicates with its shareholders through its Annual Report, circulars issued in compliance with the DEM Rules of the Stock Exchange of Mauritius, press announcements, publication of unaudited quarterly and audited abridged financial statements of the Group and Annual or Special Meeting of Shareholders.

In compliance with the Companies Act 2001, shareholders are invited to the Annual Meeting and are encouraged to raise questions and discuss matters relating to the Group.

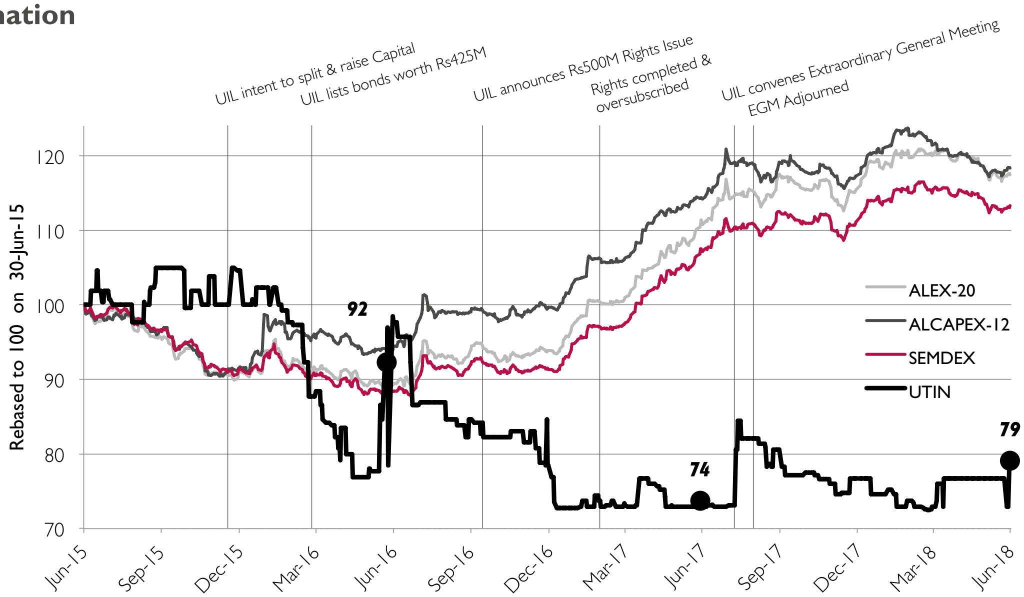
All shareholders are entitled to attend and vote at the general meetings, in person or in proxy. The shareholders receive the annual reports of the Company, notices of meetings and all relevant papers as appropriate.

The following shareholders held 5% or more of the shareholding of the Company as at 30 June 2018:



CORPORATE GOVERNANCE REPORT

Share Price Information



During the 12Mth period ending on June 30th 2018, the Mauritian market's rally tapered off mainly as a consequence of weakening market sentiment with regards to sugar conglomerates. The SEMDEX gained 5.3% and the ALEX 20 gained 5.4% thereby outperforming the MSCI Frontier Markets index which dipped by 1.2%. In Europe, the election of a populist government in Italy along with weakening economic fundamentals hurt the EUROSTOXX 50 (-4.8%) while a weak GBP propelled the FTSE 100 (+3.1%) higher, and in the US the S&P 500 (+11%) surged boosted by higher earnings stemming from the Trump tax reforms and a resilient domestic economy.

During FY-17, UIL share price had converged – as is often the case on the Stock Exchange – towards its rights issue price of Rs9.50 and continued to hover at those levels. UIL's share price however spike upon convocation of a special shareholder meeting to vote on the proposed split of its Financial and Non-Financial operations into two separate entities namely AXYS Ltd and OXIA Ltd. However, the special meeting was adjourned, and subsequently UIL's stock price began a steady descent, thereafter regaining some momentum during the final quarter of FY-18. Ultimately, UIL's stock price closed up 8.4% YoY.

The value traded on UIL more than doubled to Rs86M during FY-18 well above the market's median Turnover of Rs35M. Similarly UIL traded in almost every other session averaging a turnover of Rs712k (+2.25x) per session; but lost in relative terms coming in as the 36th (33rd in FY-17) most active company by value traded with a little over 4% of its total shareholding swapping hands during the year. With a Market Capitalisation of Rs2.10bn, UIL remains a Mid-Cap ranking 35th (34th at end FY-17) excluding Global Business Licensees.

Share Option Plans

The Company does not have any Share Option Plan.

Shareholders' Agreement

There exists no Shareholders' Agreement to the knowledge of the Company.

CORPORATE GOVERNANCE REPORT

Management Agreement

No major agreements, other than those in the ordinary course of business, were contracted by the Group during the year under review.

Dividend Policy

The Group does not have any formal predetermined dividend policy and the dividend payout is subject to the performance of the Group.

Salient points of the Constitution of the Company

The Company's Constitution is in conformity with the provisions of the Companies Act 2001 and the DEM Rules.

The salient features of the Constitution are:

- the Company has wide objects and powers;
- there are no pre-emptive rights attached to the shares;
- fully paid shares are freely transferable;
- the Board of Directors shall consist of not less than 5 but not more than 15 Directors;
- the quorum for a meeting of the Board is fixed by the Board and if not so fixed shall be at least 3 Directors;
- the Board may issue, at any time, a number of ordinary shares, and rights or options to acquire such shares, not exceeding fifteen per cent of the total number of ordinary shares in issue at the time of such issue of such shares, rights or options, to any person, whether already a shareholder of the Company or not, without any requirement that the said shares be first offered to existing shareholders and without the necessity of being authorised by the shareholders by ordinary resolution; and
- there shall be a quorum for meetings of shareholders where 2 shareholders holding at least 40% of the ordinary shares are present or represented.

CORPORATE GOVERNANCE REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and statement of cash flows, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001 and Financial Reporting Act 2004.

The director's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; ensuring completeness and making accounting judgments and estimates that have been used consistently.

The directors have made an assessment of Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

The directors report that the external auditors are responsible for reporting on whether the financial statements are fairly presented.

The directors confirm that

(i.) adequate accounting records and an effective system of internal controls and risk management have been maintained;
(ii.) appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently;
(iii.) International Financial Reporting Standards have been complied with.

The directors confirm that the Code of Corporate Governance has been adhered to, except to those principles disclosed in the Statement of Compliance on page 33.

Didier Merven
Chairman

Michel Guy Rivalland
Chief Executive Officer

Date: 7 December 2018

NWT

STATEMENT OF COMPLIANCE

Name of PIE: United Investments Ltd
Reporting Period: 30 June 2018

We, the Directors of United Investments Ltd confirm that to the best of our knowledge United Investments Ltd has complied with all its obligations and requirements under the National Code Governance (2016) (the 'Code') except for the following:

Principles	Reasons for non-compliance
Code of ethics **Principle 1:** Approval of Code of Ethics by the Board **Principle 1, 3 &,6:** Company website to include the code of ethics	The Code of Ethics has been reviewed by the Corporate Governance Committee and will be recommended to the Board for approval. Necessary action plans have been drawn to revamp the Company's website, which will be ready by end of the next financial year. The Code of ethics will be published on the website.
Board Charter **Principle 1:** Approval of Board Charter by the Board **Principle 2:** Reassessment of Board Charter	The Board has agreed not to adopt a Board Charter in view of the restructuring exercise that the Company is currently going through. Following the approval of the Scheme of Arrangement, UIL will eventually be delisted.
Gender Balance of the board **Principle 2:** Ensuring board diversity and Gender balance of the board	The Board is actively looking forward to recruiting a suitable candidate to improve women presence and have a gender balance on the Board.
Succession Plan **Principle 3:** Succession plan	The Succession plan of Directors and key office holders will be finalised during the current financial year end.
Election of Directors **Principle 3:** Election of Directors on a regular basis	The Constitution does not provide for election of Directors on a regular basis at the Annual Meeting of Shareholders.

STATEMENT OF COMPLIANCE

Principles	Reasons for non-compliance
Board evaluation process and development plan	
Principle 4: Evaluation process and Development plan of Board, Board Committees and Directors	No Board Evaluation and Development Plan have been conducted for the year under review.
Whistle-Blowing procedures	
Principle 5: Documentation on internal whistle-blowing rules and procedures	The whistle-blowing procedures is elaborated within the Code of Ethics.
Company website	
Principle 6: Company website to include: (a) Annual report (b) Code of Ethics (c) Constitution (d) Job descriptions of key senior governance positions (e) Organisational chart (f) Statement of major accountabilities (g) Nomination and appointment process	The Company's website is being revamped and will provide all information as recommended by the Code of Corporate Governance.

Didier Merven
Chairman

Michel Guy Rivalland
Chief Executive Officer

Date: 7 December 2018

CERTIFICATE FROM THE COMPANY SECRETARY

FOR THE YEAR ENDED JUNE 30, 2018

We certify to the best of our knowledge and belief that the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.

NWT Secretarial Services Ltd
Corporate Secretary

Registered office:
6^{th}/7^{th} Floor, Dias Pier Building
Le Caudan Waterfront
Caudan
Port Louis 11307
Mauritius

Date: 7 December 2018

MECOM

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITED INVESTMENTS LTD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of United Investments Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 43 to 101 which comprise the statements of financial position as at 30 June 2018, and the statements comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements give a true and fair view of, the financial position of Group and Company as at 30 June 2018, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001 and the Financial Reporting Act 2004.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 30 in the financial statements, which indicates that the Company will no longer be a going concern following the restructure of the Company whereby all the assets and liabilities of the Company has been transferred into two separate newly formed entities, namely Axys Ltd and Oxia Ltd which will then be distributed to shareholders. As stated in Note 29, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITED INVESTMENTS LTD

Key Audit Matter	How the matter was addressed in the audit
Going concern and asset held for distribution As per the board minutes dated the 28 July 2017 and in line with the Company's internal restructure plan, UIL has transferred most of its assets and liabilities into two separate newly formed entities, namely AXYS Ltd ('AXYS') and OXIA Ltd ('OXIA'), which represents the financial and non-financial investments clusters . Most of the assets have been transferred effective on 1 July 2017 whereas the liabilities would be transferred as and when the concerned parties have given their approval. (See note 29). Subsequent to the year end, the shareholder of the Company approved the Scheme of Arrangement ("The Scheme") whereby every one share held by the Company will be exchanged for one share in AXYS and one share in OXIA. The resulting impact is that AXYS and OXIA will respectively hold 64% and 36% of the shareholding of UIL. This restructuring plan is now subject to sanction of the Supreme Court. Given the above restructuring plan, the financial statements have been prepared on a basis other than going concern as explained in note 2.1. Given the pervasive nature of the adjustments made and its impact on presentation and disclosures we consider that an incorrect assessment could have a significant impact on the overall presentation of the financial statements.	• As part of our audit procedures we ensured that the financial statements have been prepared on a basis other than going concern in accordance with IAS 1 - Presentation of Financial Statements, IFRS 5 Non-current Assets Held for Sale and discontinued Operations and IAS 10 - Events after the reporting period ; • We have ensured that the Group and the Company meet the held for sale classification criteria as defined under IFRS 5 Non-current Assets Held for Sale and Discontinued Operations; • In particular, we have reviewed the presentation of the financial statements and ensured all non-current assets and liabilities have been properly reclassified as held for sale under current assets and current liabilities; • We have reviewed management's assessment of using an alternative basis for the preparation of the financial statements and their conclusion that IFRS as a basis for preparation best reflects the financial position and performance of the entity; • We have further considered the following to ensure that the financial statements presented under IFRS is not materially different from the alternate basis: - Any possible impairment to assets irrespective of whether or not there has been an indication of impairment; - Account for any possible future costs upon winding up, even though the costs have not yet been incurred; - Adequate fair value disclosure on assets and liabilities and estimation uncertainty has been fully disclosed; - We held discussions with the legal counsel as to the validity of the transfer of assets and liabilities as part of the group restructure; - We have assessed the impact of these conditions on our audit report.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITED INVESTMENTS LTD

Report on the Audit of the Financial Statements (Continued)

Key Audit Matter	How the matter was addressed in the audit
Incorrect valuation of the investment portfolio The valuation of the investment portfolio at 30 June 2018 was Rs 3.443bn (2017: Rs 3.18bn). The Group's investment portfolio mainly consists of unlisted investments. The valuation process is highly judgemental giving rise to significant risk of material misstatement. The valuation of the assets held in the investment portfolio is also the key driver of the Company's and Group's net asset value and total return. Incorrect asset pricing could have a significant impact on portfolio valuation and, therefore, the return generated for shareholders. Management has performed the valuation for most of the investee entities and has engaged an external expert to prepare the valuation of their hospitality business. Refer to note 9 for further disclosures on the valuation of investments.	We performed the following procedures: • We understood, assessed and challenged management's process and methodology for valuing investments including, gaining an understanding of the key controls around the investment valuation process; • We challenged the appropriateness of the valuation method and assumptions used in deriving the discounted cash flow; • We met with management to discuss the valuation methodologies, investment performance and transactions which took place during the year ended 30 June 2018. We obtained supporting documentation to corroborate these discussions; • We verified the completeness, adequacy and relevance of the information presented to us; • We considered the nature and basis for valuation adjustments and calculations; • We considered the reasonableness of the discount rate applied; • We obtained an understanding of the significant events in the material underlying investee companies by having discussions with the key finance team members; • We agreed the inputs used in the valuation models of the underlying investments to the latest audited financial statements and/or budgets as received from management; • We performed an overall corroboration of the valuation of the underlying investments in the investment portfolio against industry benchmarks; • Where unaudited financial information were used we reviewed historical trends and obtain explanation for significance variances. We also compared unaudited financial information used in prior years' valuation to audited financial statements obtained subsequently;

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITED INVESTMENTS LTD

Report on the Audit of the Financial Statements (Continued)

Key Audit Matter	How the matter was addressed in the audit
	• We also considered whether the audit has been completed by a reputable auditor, whether the opinion was unqualified and whether the basis of preparation was appropriate; • In respect of the valuation of the Group's hospitality business, we performed the following additional procedures: - Evaluated the competence, capabilities and objectivity of management's expert and further confirmed the independence of the external valuers; and - We tested the accuracy and completeness of the information used by the external valuers as inputs to their valuation models.

Other Information

The directors are responsible for the other information. The other information comprises the Annual Report, Corporate Governance Report, Statement of Compliance and the Certificate from the Company Secretary as required by the Companies Act 2001 (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of the audit report, and Notice of Annual Meeting and the Chairman's and the CEO Review, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2001and the Financial Reporting Act 2004, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Group and or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITED INVESTMENTS LTD

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may

- cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the Group and Company financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF UNITED INVESTMENTS LTD

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004

The directors are responsible for preparing the Corporate Governance Report. Our responsibility is to report on the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and whether the disclosure is consistent with the requirement of the Code.

In our opinion, the disclosures in the Corporate Governance Report are consistent with the requirements of the Code.

ERNST & YOUNG
Ebène, Mauritius

ANDRE LAI WAN LOONG, F.C.A.
Licensed by FRC

Date: 7 December 2018

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS AT JUNE 30, 2018

	Notes	THE GROUP		THE COMPANY	
		2018	2017	**2018**	2017
		Rs'000	Rs'000	**Rs'000**	Rs'000
ASSETS					
Assets classified as held for distribution	3	**2,780,085**	3,576,703	**2,768,293**	2,993,712
TOTAL ASSETS		**2,780,085**	3,576,703	**2,768,293**	2,993,712
EQUITY AND LIABILITIES					
Share capital	12	**651,462**	651,462	**651,462**	651,462
Share premium	12	**920,386**	920,386	**920,386**	920,386
Retained earnings		**752,617**	695,135	**757,815**	726,817
Equity attributable to equity holders of the parent		**2,324,465**	2,266,983	**2,329,663**	2,298,665
Current liabilities					
Liabilities classified as held for distribution	3	**455,620**	1,309,720	**438,630**	695,047
Total liabilities		**455,620**	1,309,720	**438,630**	695,047
TOTAL EQUITY AND LIABILITIES		**2,780,085**	3,576,703	**2,768,293**	2,993,712
NAV per share		**11.39**	11.11	11.41	11.26

These consolidated financial statements have been approved for issue by the Board of Directors on the 7th December 2018 and signed on its behalf by :

Didier Merven
Chairman

Michel Guy Rivalland
Chief Executive Officer

The notes on pages 48 to 101 form an integral part of these consolidated financial statements.
Auditors' report on pages 37 to 42.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

		THE GROUP		THE COMPANY	
	Notes	2018	2017	2018	2017
		Rs'000	Rs'000	Rs'000	Rs'000
Revenue	17	20,891	47,856	1,820	26,955
Administrative expenses	20	(44,811)	(33,105)	(10580)	(9,250)
Operating profit		(23,920)	14,751	(8,760)	17,705
Fair value movements on investments designated at fair value through profit or loss	6	160,249	(15,063)	115,393	(28,619)
Fair value gains / (losses) on receivables and investments	21	7,934	(63,567)	11,014	(177,995)
Loss on preference shares written off/redeemed	7(a) & 8(b)	(63,777)	-	(63,777)	-
Other Income		366	-	-	-
Finance income	18	7,144	11,911	7,144	11,259
Finance costs	19	(30,380)	(94,102)	(29,882)	(56,861)
Profit / (loss) before tax		57,616	(146,070)	31,132	(234,511)
Income tax expense	15(a)	(134)	(946)	(134)	(946)
Profit for the year		57,482	(147,016)	30,998	(235,457)
Other comprehensive income		-	-	-	-
Total comprehensive profit / (loss) for the year, net of tax		57,482	(147,016)	30,998	(235,457)
Profit / (loss) and total comprehensive loss for the year attributable to:					
Owners of the parent		57,482	(147,016)		
Basic and diluted earnings/(loss) per share for the year attributable to ordinary equity holders of the parent (Rs.)	22	0.28	(0.83)		

The notes on pages 48 to 101 form an integral part of these consolidated financial statements.
Auditors' report on pages 37 to 42.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

THE GROUP

	Share capital	Share premium	Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2016	151,462	920,386	842,151	1,913,999
Issue of shares	500,000	-	-	500,000
Loss for the year	-	-	(147,016)	(147,016)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(147,016)	(147,016)
At June 30, 2017	**651,462**	**920,386**	**695,135**	**2,266,983**
At July 1, 2017	651,462	920,386	695,135	2,266,983
Profit for the year	-	-	57,482	57,482
Other comprehensive income for the year	-	-	-	-
Total comprehensive profit for the year	-	-	57,482	57,482
At June 30, 2018	**651,462**	**920,386**	**752,617**	**2,324,465**

The notes on pages 48 to 101 form an integral part of these consolidated financial statements.
Auditors' report on pages 37 to 42.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

THE COMPANY

	Share capital	Share premium	Retained earnings	Total
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1, 2016	**151,462**	**920,386**	**962,274**	**2,034,122**
Issue of shares	500,000	-	-	500,000
Loss for the year	-	-	(235,457)	(235,457)
Other comprehensive income for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(235,457)	(235,457)
At June 30, 2017	**651,462**	**920,386**	**726,817**	**2,298,665**
At July 1, 2017	**651,462**	**920,386**	**726,817**	**2,298,665**
Profit for the year	-	-	30,998	30,998
Other comprehensive income for the year	-	-	-	-
Total comprehensive profit for the year	-	-	30,998	30,998
At June 30, 2018	**651,462**	**920,386**	**757,815**	**2,329,663**

The notes on pages 48 to 101 form an integral part of these consolidated financial statements.
Auditors' report on pages 37 to 42.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

	Notes	THE GROUP 2018 Rs'000	THE GROUP 2017 Rs'000	THE COMPANY 2018 Rs'000	THE COMPANY 2017 Rs'000
Operating activities					
Profit / (loss) before tax		**57,616**	(146,070)	**31,132**	(234,511)
Adjustments for:					
Depreciation of motor vehicles and equipment	20	**459**	129	**-**	-
Fair value movements on investments designated at fair value through profit or loss	6	**(160,249)**	15,063	**(115,391)**	28,619
Fair value (gains) / losses on receivables and investments	21	**(7,934)**	63,567	**(11,014)**	177,995
Scrapped assets		**166**	-	**-**	-
Loss on preference shares written off/redeemed		**63,777**	-	**63,777**	-
Net unrealised loss on foreign exchange	18 & 19	**936**	742	**554**	1,394
Profit on disposal of plant and equipment		**(366)**	-	**-**	-
Dividend income	17	**(1,820)**	(26,955)	**(1,820)**	(26,955)
Interest income	18	**(7,144)**	(11,259)	**(7,144)**	(11,259)
Interest expense	19	**29,444**	92,708	**29,328**	55,467
		(25,115)	(12,075)	**(10,578)**	(9,250)
Working capital adjustments:					
Trade and other receivables and prepayments		**273,861**	(224,266)	**268,301**	(291,117)
Trade and other payables		**(15,900)**	(4,181)	**(26,031)**	(5,368)
		232,666	(240,522)	**231,692**	(305,735)
Interest received		**3,469**	1,095	**3,469**	1,095
Interest paid		**(30,663)**	(96,030)	**(30,663)**	(58,312)
Tax refund	15(b)	**715**	-	**715**	-
Income tax and CSR paid	15(b)	**(305)**	(3,379)	**(305)**	(3,379)
Net cash flows from / (used in) operating activities		**205,882**	(338,836)	**204,908**	(366,331)
Investing activities					
Proceeds from sale of investments designated at fair value through profit or loss		**38,406**	1,169	**38,406**	1,169
Deposits transferred	8	**-**	22,802	**-**	22,802
Purchase of motor vehicles and equipment	4	**(1,730)**	(139)	**-**	-
Proceeds from disposal of plant and equipment		**366**	-	**-**	-
Dividends received		**1,774**	1,774	**1,774**	1,774
Loans repaid by related parties		**-**	2,870	**-**	2,870
Acquisition of investments	6	**(10,372)**	(30,794)	**(10,372)**	(30,794)
Acquisition of preference shares	7	**-**	(4,363)	**-**	(4,363)
Acquisition of other financial assets	8	**(28,034)**	-	**(28,034)**	-
Net cash flows used in investing activities		**410**	(6,681)	**1,774**	(6,542)
Financing activities					
Issue of shares	12 (a)	**-**	500,000	**-**	500,000
Proceeds from borrowings		**1,396**	125,000	**-**	125,000
Repayment of borrowings		**(150,000)**	(152,945)	**(150,000)**	(123,333)
Repayment of finance lease liabilities		**(235)**	-	**-**	-
Net cash flows (used in) / from financing activities		**(148,839)**	472,055	**(150,000)**	501,667
Net increase in cash and cash equivalents		**57,453**	126,538	**56,682**	128,794
Cash and cash equivalents at July 1,		**(56,198)**	(182,736)	**(56,289)**	(185,083)
Cash and cash equivalents at June 30,	11 (b)	**1,255**	(56,198)	**393**	(56,289)

The notes on pages 48 to 101 form an integral part of these consolidated financial statements.
Auditors' report on pages 37 to 42.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

United Investments Ltd (the "Company") is a public company incorporated and domiciled in the Republic of Mauritius and its shares are listed on the secondary market of Mauritius, the Development and Enterprise Market ("DEM") under the Stock Exchange of Mauritius. Its registered office and place of business are at 6th Floor, Dias Pier Building, Le Caudan Waterfront, Caudan, Port Louis, 11307, Mauritius.

The principal activity of the Group is investment holding.

The consolidated and separate financial statements for the year ended June 30, 2018 were authorised for issue by the Board of Directors on the date stamped on page 43.

2.1 BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss.

The consolidated and separate financial statements of United Investments Ltd and its subsidiaries (the 'Group') are presented in Mauritian rupees and all values are rounded to the nearest thousand (Rs.'000) except when otherwise indicated.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) as issued by International Standard Board, in addition to the following:

- All possible liabilities meeting the requirement of IAS 37 Provisions, Contingent liabilities and Contingent assets that might arise from the winding up of the Company have been accrued for.

2.2 BASIS OF CONSOLIDATION

As explained in note 2.6 (a) the Company meets the definition of an investment entity under IFRS 10, Consolidated Financial Statements, which require the Company to account for its investment in subsidiaries and associates at fair value through profit or loss instead of consolidating or equity accounting for them. Accordingly the Company only consolidates those subsidiaries that provide services that relate to the Company's investment activities.

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries that fall within the scope of consolidation as described above.

A subsidiary is an entity controlled by the Company. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Intermediate holding companies

The intermediate holding companies have avail itself from the investment entity exception whereby intermediate holding companies owned by investment entities are exempted from presenting consolidated financial statements, when the investment entity measures all of its subsidiaries at fair value.

2.2 BASIS OF CONSOLIDATION (CONT'D)

Intermediate holding companies (Cont'd)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary to bring its accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the consolidated and separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting year. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements which have significant effect on the amounts recognised in the financial statements.

(i.) Assessing criteria for meeting the definition of an investment entity

Significant judgement has been exercised in determining whether the Group meets the definition of investment entity. Having considered the various criteria, as detailed in note 2.6(a) pertaining to Group's operations, management is of the opinion that the Group meets such definition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Judgements (Cont'd)

(ii.) Going concern

The Group's management has made an assessment of the Group's ability to continue as a going concern and determined that the Group will no longer be a going concern following the winding up of the Group after the scheme of arrangement has been approved. During the year, a number of assets and liabilities of Group has been transferred into two separate newly formed entities, namely AXYS Ltd ('AXYS') and OXIA Ltd ('OXIA'), which represent the financial and non-financial investments clusters, respectively (Refer to note 29-31).

Estimations and assumptions

The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i.) Fair value of financial instruments

Where the fair value of financial assets recorded on the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to those models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as discount rates, liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer to note 9 for more details.

(ii.) Assets and liabilities classified as held for sale

An assessment was made at June 30, 2017 that the Group and the Company met the definition to be classified as held for sale in the Statement of Financial Positions as the Group and Company started their restructure plan during the year. At June 30, 2018 the restructure is still under way and further approval has been obtained after the reporting date as detailed in note 31.

The directors have also considered the following:

- Any possible impairment to assets irrespective of whether or not there has been an indicator of impairment.
- Account for any possible future costs upon winding up, even though the costs have not yet been incurred.
- Adequate fair value disclosure on assets and liabilities and estimation uncertainty fully disclosed.

The Directors conclude that based on their assessment above, the alternative basis for the preparation of the financial statements is not materially different from IFRS.

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year. There were a number of new standards and interpretations which were effective for this financial year, which are not expected to have a significant impact on the Group except for the one listed below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.4 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONT'D)

New and amended standards and interpretations (Cont'd)

- Amendments to IAS 7 Disclosure Initiative – The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. This included providing a reconciliation between the opening and closing balances arising from financing activities. Movement in financial liabilities arising from financial activities have been disclosed in note 33.

2.5 ACCOUNTING STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, amendments to existing standards and interpretations have been issued and are not yet effective at the date of issuance of the financial statements of the Group. The new standards issued not yet effective will not have an impact on the Group as the Company will be wound up.

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the more important accounting policies, which have been applied consistently, is set out below:

(a) Investment entity

IFRS 10, Consolidated Financial Statements requires entities that meet the definition of an investment entity to account for its investments in subsidiaries at fair value through profit or loss instead of being consolidated.

The Group has multiple investors and indirectly holds multiple investments through the investee companies. The Group has been deemed to meet the definition of an investment entity per IFRS 10 as the following conditions exist:

(a) The Group has obtained funds for the purpose of providing investors with investment management services.

(b) The Group's business purpose, which was communicated directly to investors, is investing solely for returns from capital appreciation and investment income, through the investee companies.

(c) The performance of investments made through the investee companies are measured and evaluated on a fair value basis.

(b) Investment in subsidiaries

Subsidiaries are those entities controlled by the Company. Control is determined when the Company is exposed to, or has right to, variable returns from its investment with the entity and has the ability to affect those returns through its power over the entity.

Separate financial statements

Investments in subsidiaries in the separate financial statements of the Company are carried at cost, net of any impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. Upon disposal of the investment, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Investments in associates and joint arrangements

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over these policies.

A joint venture is a type of arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The entity has elected to apply the exemption from applying the equity method, under this exemption. Investments in Associates and Joint Ventures are measured at fair value through profit and loss under IFRS 9.

(d) Foreign currency translation

The financial statements are presented in Mauritian Rupees, which is the Group's functional and presentation currency. The items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

(e) Motor vehicles and equipment

Motor vehicles and equipment are stated at cost excluding the costs of the day to day servicing, net of accumulated depreciation and/or accumulated impairment losses, if any. Changes in the expected useful life and residual values, which are reviewed at least at the end of each financial year, are accounted for by changing the depreciation period or method, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated on the straight line method to write down the cost of equipment to their residual values over their estimated useful life as follows:

Computer equipment	33%
Motor vehicles	20%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments - recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

The Group's financial assets include financial assets at fair value through profit or loss, cash at bank, trade and other receivables.

The entity recognises a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instruments.

Debt investments

Financial assets at amortised cost

A debt investment is classified at 'amortised cost' only if both of the following criteria are met: the objective of the Group's business model is to hold the asset to collect the contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

The Group's financial assets at amortised cost include cash at bank and other receivables.

Cash at bank

Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Financial assets at fair value

If either of the two criteria above is not met, the debt instrument is classified as fair value through profit or loss.

Equity investments

All equity investments are measured at fair value. Equity investments that are held for trading are measured at fair value through profit or loss.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

A gain or loss on a debt investment that is subsequently measured at fair value and is not part of a hedging relationship is recognised in profit or loss and presented in profit or loss within "fair value movement of investments designated at fair value through profit or loss" in the period in which they arise.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments - recognition and measurement (Cont'd)

(i) Financial assets (Cont'd)

Subsequent measurement (Cont'd)

The Group subsequently measures all equity investments at fair value. Unrealised and realised fair value gains and losses on equity investments are recognised in profit or loss under "fair value movement of investments designated at fair value through profit or loss". Interests and dividends from such investments continue to be recognised in profit or loss as long as they represent a return on investment.

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as 'fair value through profit or loss' and exclude interest and dividend income and expenses.

Trade and other receivables are subsequently measured at fair value through profit or loss as the Group considers these receivables as equity investments.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired; or
- the Group retains its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b)
- the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value, loans and borrowings or as payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial instruments - recognition and measurement (Cont'd)

***(ii) Financial liabilities* (Cont'd)**

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss. This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

(iii) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial instruments - recognition and measurement (Cont'd)

***(iii) Fair value measurement* (Cont'd)**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(h) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss net of any reimbursement.

(i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when payment is being made. Revenue is measured at the fair value of the consideration received or receivable taking into account contractually defined terms of payment excluding taxes or duty.

The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Management fees are accounted for on an accrual basis in accordance with the terms of relevant agreements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Revenue recognition (Cont'd)

Interest income

For all financial instruments measured at amortised cost and interest bearing financial assets, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in profit or loss.

Dividend income

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(j) Taxation

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax are calculated using tax rates that have been enacted or substantively enacted at year end.

Deferred tax

Deferred tax is provided using the liability method on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- Where the income tax asset relating to the deductible temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures. Deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Taxation (Cont'd)

Deferred tax (Cont'd)

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The principal temporary differences arise from revaluations of certain non-current assets and tax losses carried forward.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Income tax relating to items recognised directly in other comprehensive income is recognised in other comprehensive income and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value Added Tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of accounts receivables or payables in the statement of financial position.

Corporate Social Responsibility

In line with the definition within the Income Tax Act 1995, Corporate Social Responsibility (CSR) is regarded as a tax and is therefore subsumed with the income tax expense shown within the statement of profit or loss and other comprehensive income and the current tax liabilities on the statement of financial position.

The CSR charge for the current period is measured at the amount expected to be paid to the Mauritian tax authorities. The CSR rate and laws used to compute the amount are those charged or substantively enacted at year end.

(k) Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2.6 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Segmental reporting

Following the restructure plan of the Company Management now monitors the fair value of its business on a "cluster" basis for the purpose of making investment decisions and performance assessment. As such, Management has disclosed the fair value of each cluster (see note 32).

(m) Leases

Group as the Lessee

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. Operating lease payments are recognised as an administrative expenses in protif or loss on a straight line basis over the lease term.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance leases, which transfer to Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The interest balance should be recognised as a finance cost.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are capitalised to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense when incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(o) Assets and liabilities classified as held for sale

The Group and the Company have classified all their assets and liabilities as held for sale following a restructure plan (see note 29) whereby the Group and the Company have been restructured and part of the assets and liabilities of the entity have now been transferred to two clusters segregating the entity's financial and non-financial activities through two wholly owned subsidiaries. The assets and liabilities are measured at the lower of their carrying amount, and fair value less costs to sell.

The criteria for held for sale classification are regarded as met only when the sale is expected to be completed within one year of the date of classification. Where the Group does not go through with its restructure plan within a year of classification and the circumstances to extend the one year period have not occurred, the assets will be derecognised from held for sale and consolidated line by line in the Consolidated Statement of Financial Position. The restructure is still ongoing and is expected to be completed after the reporting date (see note 31).

The Group considers the impact of IFRS 5 not to be significant as the assets and liabilities are already at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

3. ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR DISTRIBUTION

The Group and the Company classified its operations as held for distribution. Refer to note 29 for more details.

		THE GROUP		THE COMPANY	
	Notes	**2018**	2017	**2018**	2017
		Rs'000	Rs'000	**Rs'000**	Rs'000
Assets held for distribution					
Motor vehicles and equipment	4(a)	**1,499**	263	**-**	-
Investment in subsidiaries	5	**-**	-	**-**	362,733
Investments designated at fair value through profit or loss	6	**2,652,462**	3,178,584	**2,652,462**	2,215,851
Short term receivables	7	**-**	101,173	**-**	101,173
Other financial assets	8	**30,534**	2,500	**30,534**	2,500
Trade and other receivables	10	**93,860**	267,703	**84,788**	285,347
Prepayments		**402**	342	**47**	61
Current tax assets	15(b)	**69**	613	**69**	613
Cash and cash equivalents	11(a)	**1,259**	25,525	**393**	25,434
Total assets held for distribution		**2,780,085**	3,576,703	**2,768,293**	2,993,712
Liabilities classified as held for distribution					
Trade and other payables	14	**29,458**	52,997	**13,628**	38,324
Interest-bearing loans and borrowings	13	**426,162**	1,256,723	**425,002**	656,723
Total liabilities held for distribution		**455,620**	1,309,720	**438,630**	695,047
		2,324,465	2,266,983	**2,329,663**	2,298,665

4.(a) MOTOR VEHICLES AND EQUIPMENT

THE GROUP	**Computer Equipment**	**Motor Vehicles**	**Total**
	Rs'000	**Rs'000**	**Rs'000**
Cost:			
At July 1, 2016	465	1,500	1,965
Additions	139	-	139
At June 30, 2017	604	1,500	2,104
Additions	135	1,595	1,730
Disposals	-	(1,500)	(1,500)
Assets scrapped	(166)	-	(166)
At June 30, 2018	**573**	**1,595**	**2,168**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

4.(a) MOTOR VEHICLES AND EQUIPMENT (CONT'D)

THE GROUP	Computer Equipment	Motor Vehicles	Total
	Rs'000	Rs'000	Rs'000
Depreciation:			
At July 1, 2016	212	1,500	1,712
Charge for the year	129	-	129
At June 30, 2017	341	1,500	1,841
Charge for the year	140	319	459
Disposal adjustment	-	(1,500)	(1,500)
Assets scrapped	(131)	-	(131)
At June 30, 2018	**350**	**319**	**669**
Net book values:			
At June 30, 2018	**223**	**1,276**	**1,499**
At June 30, 2017	263	-	263

(b) Motor vehicles under finance lease are effectively secured as rights to the leased assets remain with the lessor in the event of default.

5. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2018	2017
Unquoted	**Rs'000**	Rs'000
At July 1,	**362,733**	441,000
Transfers	**(362,733)**	-
Impairment	**-**	(78,267)
At June 30,	**-**	362,733

Details of the subsidiaries are as follows:

Name	Main business activity	Year end	Direct & Effective holding & voting power		Carrying Value	
			2018	2017	**2018**	2017
			%	%	**Rs'000**	Rs'000
AXYS Treasury Ltd (note (a))	Management company	June 30,	**100**	100	**-**	-
Hold Attitude Ltd (note (b))	Investment holding	June 30,	**-**	100	**-**	362,733
					-	362,733

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) The investment in AXYS Treasury Ltd had been fully impaired during the year ended June 30, 2015. There are no changes for the year ended June 30, 2018.

(b) Following its restructure plan, the Company transferred its investments in Hold Attitude Ltd at a carrying amount of Rs. 362.733M to OXIA Hospitality Ltd, an entity ultimately held by the Company.

(c) Other subsidiaries accounted for at fair value through profit or loss are disclosed as investee companies in note 6.

6. INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

THE GROUP

	2018	Quoted	Unquoted	2017
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	**3,178,584**	40,318	3,138,266	3,088,563
Additions	**10,372**	-	10,372	30,794
Disposals	**(38,259)**	-	(38,259)	(1,169)
Fair value movement	**160,249**	(4,971)	165,220	(15,063)
Transfer in respect of follow on investments	**(658,484)**	-	(658,484)	75,459
At June 30,	**2,652,462**	35,347	2,617,115	3,178,584

THE COMPANY

	2018	Quoted	Unquoted	2017
	Rs'000	Rs'000	Rs'000	Rs'000
At July 1,	**2,215,851**	40,318	2,175,533	2,139,386
Additions	**10,372**	-	10,372	30,794
Disposal	**(38,259)**	-	(38,259)	(1,169)
Fair value movement	**115,391**	(4,971)	120,362	(28,619)
Follow on investments	**349,107**	-	349,107	75,459
At June 30,	**2,652,462**	35,347	2,617,115	2,215,851

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

6. INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Details of the material investee entities are given below:

(i) Included in investments at fair value through profit or loss are the following material investee entities and associates. The Group meets the definition of an investment entity. Therefore, it does not consolidate its subsidiaries and associates but rather, it recognises them as investments at fair value through profit or loss.

Name	Main business	Year end	Direct Holding	Indirect Holding	Effective holding and voting power
			%	%	%
Subsidiaries					
AXYS Ltd	Investment holding	June 30,	**100**	-	**100**
OXIA Ltd	Investment holding	June 30,	**100**	-	**100**
AX Holding (formerly known as UIL Holding)	Investment holding	June 30,	-	**100**	**100**
AX International Ltd (formerly known as UIL International Ltd)	Investment holding	June 30,	-	**65**	**65**
AXYS Holding Ltd	Investment holding	June 30,	-	**100**	**100**
AXYS Patrimoine Ltd	Investment holding	June 30,	-	**100**	**100**
AX Offshore Ltd	Investment holding	June 30,	-	**100**	**100**
AXYS Consulting DMCC	Consultancy and corporate advisory	December 31,	-	**51**	**51**
AXYS Group Ltd	Investment holding	June 30,	-	**80**	**80**
AXYS Investment Partners Ltd	Asset management	June 30,	-	**100**	**100**
AXYS Stockbroking Ltd	Brokerage services	June 30,	-	**80**	**80**
OXIA Agro Ltd	Investment holding	June 30,	-	**100**	**100**
OXIA Hospitality Ltd	Investment holding	June 30,	-	**100**	**100**
OXIA Tech Ltd	Investment holding	June 30,	-	**100**	**100**
Frontiere Corporate Administrators Ltd	Trust and corporate service provider	June 30,	-	**80**	**80**
Frontiere Finance International Ltd	Trust and corporate service provider	June 30,	-	**80**	**80**
Frontiere Finance Holding Ltd	Trust and corporate service provider	June 30,	-	**80**	**80**
Frontiere Corporate Services Ltd	Trust and corporate service provider	June 30,	-	**80**	**80**
Frontiere Finance Ltd	Trust and corporate service provider	June 30,	-	**80**	**80**
IFL Investment Holding Ltd	Investment holding	June 30,	-	**100**	**100**
Island Catch Ltd	Investment holding	June 30,	-	**100**	**100**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

6. INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Name	Main business	Year end	Direct Holding	Indirect Holding	Effective holding and voting power
			%	%	%
Subsidiaries					
Island Chemicals Ltd	Sale of industrial and agricultural products	June 30,	-	**100**	**100**
Island Fertilizers Logistics Ltd	Dormant entity	June 30,	-	**100**	**100**
Island Fertilizers Ltd	Investment holding	June 30,	-	**100**	**100**
Island Renewable Fertilizers Ltd	Manufacture and sale of liquid fertilizers	June 30,	-	**100**	**100**
Lombard Management Services Ltd	Trust and corporate service provider	June 30,	-	**90**	**90**
Mechanisation Company Limited	Sale of industrial and agricultural machinery	June 30,	-	**58**	**58**
Megabyte Investment Ltd	Investment holding	June 30,	-	**70**	**70**
Megabyte Ltd	IT services	June 30,	-	**70**	**70**
NWT (Mauritius) Limited	Trust and corporate service provider	June 30,	-	**72**	**72**
NWT Caversham SA	Trust and corporate service provider	June 30,	-	**65**	**65**
NWT Management SA	Trust and corporate service provider	June 30,	-	**65**	**65**
NWT Suisse Conseil SA	Trust and corporate service provider	June 30,	-	**100**	**100**
Spice Finance Ltd	Leasing business	June 30,	-	**80**	**80**
Associates					
Apex Africa Capital Ltd	Brokerage services	June 30,	-	**50**	**50**
Attitude Hospitality Ltd	Hospitality	June 30,	-	**40**	**40**
Emineo Holding Ltd	Investment holding	June 30,	-	**25**	**25**
Emineo Ltd	Engineering	June 30,	-	**20**	**20**
Flexi Drive Ltd	Fleet management	June 30,	-	**50**	**50**
Four Oaks Advisors Ltd	Investment advisory	June 30,	-	**50**	**50**
Helilagon (Mauritius) Ltd	Hospitality	June 30,	-	**35**	**35**
La Moisson Ltee	Rental of agricultural equipment	June 30,	-	**29**	**29**
Part Supply Services Ltd	Dormant entity	June 30,	-	**28**	**28**
Quantilab Holding Ltd	Investment holding	June 30,	-	**50**	**50**
Quantilab Ltd	Laboratory	June 30,	-	**35**	**35**
S.C.E.T.I.A Holding Ltd	Investment holding	June 30,	-	**35**	**35**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

6. INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

(ii) Other material investments other than subsidiaries and associates designated at fair value through profit or loss included the following entities:

Name	Main business	Year end	Direct Holding	Effective holding and voting power
			%	%
Inside Equity Fund	Private Equity	December 31,	**12**	**12**
Les Gaz Industriels Ltee	Utilities	December 31,	**19**	**19**
Novus Properties Ltd	Investment property	June 30,	**7**	**7**

All the shares held in the investee companies are ordinary shares.

(iii) Financial guarantees and support provided to unconsolidated entities are disclosed seperately in Note 26.

7. SHORT TERM RECEIVABLES

	THE GROUP AND THE COMPANY	
	2018	2017
	Rs'000	Rs'000
Preference shares at interest rate of 5.123% per annum (note (a))	**-**	46,338
Preference shares of USD 1 bearing no interest (note (b))	**-**	17,372
Loan receivable in USD at interest rate 6% per annum (note (c))	**-**	28,529
Loan receivable in USD at interest rate of USD LIBOR 6 months + 4.5% per annum (note (d))	**-**	8,934
	-	101,173

(a) Last year, the Company held 463,382 preference shares in Attitude Hospitality Ltd. The preference shares would have been converted into one ordinary share should the Company have satisfied certain pre-determined criteria. On June 15, 2018, 463,382 preference shares held by the Company has been redeemed for a total amount of Rs. 1.00.

(b) Last year, the Company held 500,411 preference shares of USD 1 each (2017: 500,411 preference shares) bearing no interest in Inside Capital Partners Ltd. During the year ended June 30, 2018, the preference shares have been redeemed for a total of USD 1.

(c) Last year, the Company had a loan of USD 810,000 to AXYS Consulting DMCC bearing an interest of 6% per annum. During the year ended June 30, 2018, the loan and interest accrued have been transferred at fair value to AXYS Ltd, a subsidiary of the Company. Refer to note 29 for more details on the restructure plan.

(d) Last year, the Company had a loan of USD 250,000 to the director of an investee entity bearing an interest of USD LIBOR 6 months + 4.5% per annum. During the year ended June 30, 2018, the loan and interest accrued have been transferred at fair value to AXYS Ltd. Refer to note 29 for more details on the restructuring plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

8. OTHER FINANCIAL ASSETS

	THE GROUP AND THE COMPANY	
	2018	2017
	Rs'000	Rs'000
At July 1,	**2,500**	27,960
New deposits	**28,034**	-
Deposits converted into ordinary shares	**-**	(2,658)
Deposits transferred	**-**	(22,802)
At June 30,	**30,534**	2,500

As at June 30, 2018, the deposit on shares represents share application money in Island Management Ltd (Rs. 2.5M) and Inside Equity Fund Ltd (Rs. 28M). The shares in Island Management Ltd are yet to be alloted due to a pending legal case. The deposit during the year relates to share application monies yet to be converted in Inside Equity Fund.

9. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy

The table below analyses recurring assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: Input other than quoted prices included in Level 1 that are observable for the asset or liability, either or directly or indirectly;

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

	June 30, 2018			
THE GROUP	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Financial services ("AXYS")	**-**	**-**	**1,592,018**	**1,592,018**
Agriculture ("OXIA Agro")	**-**	**-**	**155,436**	**155,436**
Hospitality ("OXIA Hospitality")	**-**	**-**	**779,880**	**779,880**
Technology ("OXIA Tech")	**-**	**-**	**89,781**	**89,781**
Energy	**26,786**	**-**	**-**	**26,786**
Investment property	**8,561**	**-**	**-**	**8,561**
	35,347	**-**	**2,617,115**	**2,652,462**

	June 30, 2018			
THE COMPANY	**Level 1**	**Level 2**	**Level 3**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**
Financial services ("AXYS")	**-**	**-**	**1,592,018**	**1,592,018**
Agriculture ("OXIA Agro")	**-**	**-**	**155,436**	**155,436**
Hospitality ("OXIA Hospitality")	**-**	**-**	**779,880**	**779,880**
Technology ("OXIA Tech")	**-**	**-**	**89,781**	**89,781**
Energy	**26,786**	**-**	**-**	**26,786**
Investment property	**8,561**	**-**	**-**	**8,561**
	35,347	**-**	**2,617,115**	**2,652,462**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (Cont'd)

THE GROUP

	June 30, 2017			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Chemicals (note (b))	-	-	55,025	55,025
Commercial (note (b))	-	-	132,582	132,582
Energy	33,199	-	-	33,199
Engineering (note (d))	-	-	88,921	88,921
Financial services (note (a))	-	-	1,770,468	1,770,468
Fishing (note (b))	-	-	53,372	53,372
Fleet management (note (a))	-	-	2,142	2,142
Hospitality (note (c))	-	-	967,108	967,108
Investment property	7,119	-	-	7,119
Laboratory (note (d))	-	-	30,000	30,000
Technology (note (d))	-	-	38,533	38,533
Other	-	-	115	115
	40,318	-	3,138,266	3,178,584

THE COMPANY

	June 30, 2017			
	Level 1	Level 2	Level 3	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Chemicals (note (b))	-	-	55,025	55,025
Commercial (note (b))	-	-	132,582	132,582
Energy	33,199	-	-	33,199
Engineering (note (d))	-	-	88,921	88,921
Financial services (note (a))	-	-	1,770,468	1,770,468
Fishing (note (b))	-	-	53,372	53,372
Fleet management (note (a))	-	-	2,142	2,142
Hospitality (note (c))	-	-	4,375	4,375
Investment property	7,119	-	-	7,119
Laboratory (note (d))	-	-	30,000	30,000
Technology (note (d))	-	-	38,533	38,533
Other	-	-	115	115
	40,318	-	2,175,533	2,215,851

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (Cont'd)

In the view of the the proposed restructuring, (refer to note 29), the above investments have been classified as follows for comparison purposes:

		June 30, 2017			
		Level 1	Level 2	Level 3	Total
	THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000
(a)	Financial services ("AXYS")	-	-	1,772,610	1,772,610
(b)	Agriculture ("OXIA Agro")	-	-	240,979	240,979
(c)	Hospitality ("OXIA Hospitality")	-	-	967,108	967,108
(d)	Technology ("OXIA Tech")	-	-	157,454	157,454
	Energy	33,199	-	-	33,199
	Investment property	7,119	-	-	7,119
	Other	-	-	115	115
		40,318	-	3,138,266	3,178,584
	THE COMPANY				
(a)	Financial services ("AXYS")	-	-	1,772,610	1,772,610
(b)	Agriculture ("OXIA Agro")	-	-	240,979	240,979
(c)	Hospitality ("OXIA Hospitality")	-	-	4,375	4,375
(d)	Technology ("OXIA Tech")	-	-	157,454	157,454
	Energy	33,199	-	-	33,199
	Investment property	7,119	-	-	7,119
	Other	-	-	115	115
		40,318	-	2,175,533	2,215,851

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (Cont'd)

Fair value measurement using significant unobservable inputs (Level 3):

THE GROUP	Balance at June 30, 2017	Acquisitions	Disposals	Fair value movement	Follow on investments	Balance at June 30, 2018
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial services ('AXYS')	1,772,610	10,372	(38,259)	(94,221)	(58,484)	1,592,018
Agriculture ('OXIA Agro')	240,979	-	-	(85,543)	-	155,436
Hospitality ('OXIA Hospitality')	967,108	-	-	412,772	(600,000)	779,880
Technology ('OXIA Tech')	157,454	-	-	(67,673)	-	89,781
Other	115	-	-	(115)	-	-
	3,132,266	10,372	(38,259)	165,220	(658,484)	2,617,115

THE COMPANY	Balance at June 30, 2017	Acquisitions	Disposals	Fair value movement	Follow on investments	Balance at June 30, 2018
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Financial services ('AXYS')	1,772,610	10,372	(38,259)	(94,221)	(58,484)	1,592,018
Agriculture ('OXIA Agro')	240,979	-	-	(85,543)	-	155,436
Hospitality ('OXIA Hospitality')	4,375	-	-	367,914	407,591	779,880
Technology ('OXIA Tech')	157,454	-	-	(67,673)	-	89,781
Other	115	-	-	(115)	-	-
	2,175,533	10,372	(38,259)	120,362	349,107	2,617,115

The entity's policies is to recognise transfers out of Level 3 as of the date of the event or change in circumstances that cause the transfer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (Cont'd)

The following table shows the valuation techniques used in the determination of fair values within Level 3 of the hierarchy as well as the key unobservable inputs used in the valuation model.

Type	Fair value at June 30, 2018	Valuation approach	Key unobservable inputs	Range of unobservable inputs (probability – weighted average)	Sensitivity of the input to fair value	
	Rs'000					Rs'000
THE GROUP AND THE COMPANY						
Financial services ('AXYS')	1,592,018	PE mutiple	Average of peers	10	±0.5	53,045
		EBIT Multiple	Average of peers	7.72-9.06	±0.5	16,485
		EBITDA mutiple	Average of peers	7.9-8.0	±0.5	10,029
		Adjusted Net Asset Value	N/A	N/A	-	-
Agriculture ('OXIA Agro')	155,436	Adjusted Net Asset Value	N/A	N/A	-	-
		EBITDA multiple	Average of peers	3.97-5.5	±0.5	17,525
		PE multiple	Average of peers	10.74	±0.5	2,529
Hospitality ('OXIA Hospitality')	779,880	Discounted cash flows	Discount rate	10.95%	+1%	(209,156)
Technology ('OXIA Tech')	89,781	EBITDA multiple	Average of peers	6.35-10.9	±0.5	6,719

The Group invests in unquoted equities. Given that there is no active market on which to trade the unquoted local equities, the directors have assessed the NAV represents the best estimate of fair value at the measurement date. These investments have been classified as level 3 of the fair value hierarchy as they are neither quoted nor traded. Given that Management has used the net asset value of investees, no observable input has developed and as such no sensitivity analysis was performed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (Cont'd)

Fair value measurement using significant unobservable inputs (Level 3):

THE GROUP	Balance of July 1, 2016	Acquisitions	Disposals	Foreign exchange difference	Transfer	Fair value movement	Follow on investment	Balance at June 30, 2017
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Chemicals (note (b))	-	14,000	-	-	-	8,439	32,586	55,025
Commercial (note (b))	116,590	-	-	-	-	15,992	-	132,582
Engineering (note (d))	93,013	-	-	-	-	(11,899)	7,807	88,921
Financial services (note (a))	1,711,261	12,419	(1,169)	(1,143)	265	16,082	32,753	1,770,468
Fishing (note (b))	50,000	-	-	-	-	(1,265)	4,637	53,372
Fleet management (note (a))	659	-	-	-	-	1,483	-	2,142
Hospitality (note (c))	949,177	4,375	-	-	-	13,556	-	967,108
Laboratory (note (d))	64,550	-	-	-	-	(34,550)	-	30,000
Technology (note (d))	60,572	-	-	-	-	(19,715)	(2,324)	38,533
Other	134	-	-	-	(265)	246	-	115
	3,045,956	30,794	(1,169)	(1,143)	-	(11,631)	75,459	3,138,266

THE COMPANY	Balance of July 1, 2016	Acquisitions	Disposals	Foreign exchange difference	Transfer	Fair value movement	Follow on investment	Balance at June 30, 2017
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
Chemicals (note (b))	-	14,000	-	-	-	8,439	32,586	55,025
Commercial (note (b))	116,590	-	-	-	-	15,992	-	132,582
Engineering (note (d))	93,013	-	-	-	-	(11,899)	7,807	88,921
Financial services (note (a))	1,711,261	12,419	(1,169)	(1,143)	265	16,082	32,753	1,770,468
Fishing (note (b))	50,000	-	-	-	-	(1,265)	4,637	53,372
Fleet management (note (a))	659	-	-	-	-	1,483	-	2,142
Hospitality (note (c))	-	4,375	-	-	-	-	-	4,375
Laboratory (note (d))	64,550	-	-	-	-	(34,550)	-	30,000
Technology (note (d))	60,572	-	-	-	-	(19,715)	(2,324)	38,533
Other	134	-	-	-	(265)	246	-	115
	2,096,779	30,794	(1,169)	(1,143)	-	(25,187)	75,459	2,175,533

The entity's policies is to recognise transfers out of Level 3 as of the date of the event or change in circumstances that cause the transfer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (Cont'd)

The following table shows the valuation techniques used in the determination of fair values within Level 3 of the hierarchy as well as the key unobservable inputs used in the valuation model.

Type	Fair value at June 30, 2017	Valuation approach	Key unobservable inputs	Range of unobservable inputs (probability – weighted average)	Sensitivity of the input to fair value	
	Rs'000					Rs'000
THE GROUP						
Engineering (note (d))	88,921	Adjusted Net Asset Value	N/A	N/A	-	
Financial services (note (a))	1,770,468	PE mutiple	Average of peers	9.4-10	±0.5	69,630
		Discounted cash flows	Discount rate	11.72%	±0.5	(10,190)
		EBITDA mutiple	Average of peers	6.5	±0.5	5,673
		Turnover mutiple	Average of peers	3.19	±0.5	5,257
Chemicals (note (b))	55,025	Adjusted Net Asset Value	N/A	N/A	-	
		EBITDA multiple	Average of peers	2.8-5	±0.5	14,772
Commercial (note (b))	132,582	Adjusted Net Asset Value	N/A	N/A	-	
		EBITDA multiple	Average of peers	2.8-5	±0.5	13,872
		PE mutiple	Average of peers	9	±0.5	3,746
Technology (note (d))	38,533	EBITDA multiple	Average of peers	6.3	±0.5	7,658
Hospitality (note (c))	967,108	Discounted cash flow	Discount rate	13.0%	1%	(83,111)
Laboratory (note (d))	30,000	Recoverable amount	N/A	N/A	-	
Fleet management (note (a))	2,142	Adjusted Net Asset Value	N/A	N/A	-	
Fishing (note (b))	53,372	Recoverable amount	N/A	N/A	-	
Others	115	Recoverable amount	N/A	N/A	-	

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (Cont'd)

Type	Fair value at June 30, 2017	Valuation approach	Key unobservable inputs	Range of unobservable inputs (probability – weighted average)	Sensitivity of the input to fair value	
						Rs'000
THE COMPANY						
Engineering (note (d))	88,921	Adjusted Net Asset Value	N/A	N/A	-	
Financial services (note (a))	1,770,468	PE mutiple	Average of peers	9.4-10	±0.5	69,630
		Discounted cash flows	Discount rate	11.72%	±0.5	(10,190)
		EBITDA mutiple	Average of peers	6.5	±0.5	5,673
		Turnover mutiple	Average of peers	3.19	±0.5	5,257
Chemicals (note (b))	55,025	Adjusted Net Asset Value	N/A	N/A	-	
		EBITDA multiple	Average of peers	2.8-5	±0.5	14,772
Commercial (note (b))	132,582	Adjusted Net Asset Value	N/A	N/A	-	
		EBITDA multiple	Average of peers	2.8-5	±0.5	13,872
		PE mutiple	Average of peers	9	±0.5	3,746
Technology (note (d))	38,533	EBITDA multiple	Average of peers	6.3	±0.5	7,658
Hospitality (note (c))	4,375	Recoverable amount	N/A	N/A	-	
Laboratory (note (d))	30,000	Recoverable amount	N/A	N/A	-	
Fleet management (note (a))	2,142	Adjusted Net Asset Value	N/A	N/A	-	
Fishing (note (b))	53,372	Recoverable amount	N/A	N/A	-	
Others	115	Recoverable amount	N/A	N/A	-	

The Group invests in unquoted equities. Given that there is no active market on which to trade the unquoted local equities, the Directors have assessed the NAV represent the best estimate of fair value at the measurement date. These investments have been classified as level 3 of the fair value hierarchy as they are neither quoted nor traded. Given that Management has used the net asset value of investees, no observable input has developed and as such no sensitivity analysis was performed.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

9. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Fair value hierarchy (Cont'd)

Valuation process and techniques applied by the Group:

The Board of Directors of the Company is responsible for the valuation of investments including the policies and procedures. The valuation of unlisted investments is carried out on a regular basis or when required in connection with investment or divestment activities of the Group.

As at June 30, 2018, the Directors have relied on an independent valuation report prepared by BDO & Co. (Mauritius) to calculate the fair value of Attitude Hospitality Ltd , one of its main investment in the hospitality sector. The fair value of the other investments have been calculated by the Management. Last year, the Directors have relied on a similar independent valuation report prepared by BDO & Co. (Mauritius) for most of its significant investments held.

For intermediate holding entities (AXYS Ltd and OXIA Ltd) the fair value are derived mainly from the underlying assets, these are valued at fair value using appropriate valuation measures in accordance IFRS 13.

The net assets value of the intermediate holding companies is representative of its fair value as other than the underlying equity investment held, the intermediate holding companies only hold debt which have been measured at fair value.

The Group invests in equity securities which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. Unlisted investments, which may not have readily ascertainable market values, are valued at fair value, which is the estimated amount that would be received on the investment in an orderly transaction between willing market participants on the measurement date. Generally, the fair value of unlisted investments are adjusted when a significant third-party investment or financing event has occurred or there is a significant change in the financial condition or operating performance of the portfolio company that would indicate either an increase or decrease in fair value. Various valuation techniques and inputs are considered in valuing unlisted investments, including purchase multiples paid in other comparable third-party transactions; comparable public company trading multiples; discounted cash flow analysis; market conditions; liquidity; current operating results; and other pertinent information. When utilising a multiples-based approach, multiples are applied to the most recent and relevant operating performance metric of the investment as appropriate, including historical and/or forecasted revenue, EBITDA, net income or other relevant operating performance metric. However, because of the inherent uncertainty of valuation, the recommended values may differ significantly from values that would have been used had a ready market for the unlisted investments existed, and may differ materially from the amounts realised upon disposal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

10. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Receivable from other related parties	**85,640**	261,435	**84,557**	284,558
Other receivables	**8,220**	6,268	**231**	789
	93,860	267,703	**84,788**	285,347

(a) Trade and other receivables are considered as quasi-equity.
(b) For terms and conditions relating to related party receivables, refer to note 23.
(c) No receivables from other related parties have been written-off and charged to profit or loss during the year (2017: nil).
(d) The receivables are neither past due nor impaired and due for 30-60 days.
(e) The carrying amount of trade and other receivables are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Mauritian Rupees	**92,777**	254,927	**84,788**	285,162
Swiss Francs	**874**	10,884	**-**	-
United States Dollars	**209**	1,892	**-**	-
	93,860	267,703	**84,788**	285,162

11. CASH AND CASH EQUIVALENTS

(a) Cash and short-term deposits

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash and cash equivalents	**1,259**	25,525	**393**	25,434

(b) For the purpose of the statements of cash flows, cash and cash equivalents comprise of:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Cash and short-term deposits	**1,259**	25,525	**393**	25,434
Bank overdrafts (note 13)	**(4)**	(81,723)	**(2)**	(81,723)
	1,255	(56,198)	**391**	(56,289)

12. SHARE CAPITAL AND RESERVES

(a) Share capital

THE COMPANY AND THE GROUP

	Number of shares		Rs'000	
	2018	2017	**2018**	2017
Issued and fully paid:				
At July 1, 2017	**204,093,742**	151,462,163	**651,462**	151,462
Share issue	**-**	52,631,579	**-**	500,000
At June 30, 2018	**204,093,742**	204,093,742	**651,462**	651,462

Last year, there was a right issue of 52,631,579 shares at a price of Rs. 9.50 per share.

The shares issued last year confer upon the holder the same rights offered to ordinary shareholders which are as follows:

(a) The right to vote at meetings of shareholders and on a poll to cast one vote for each share held;

(b) Subject to the rights of any other class of shares, the right to an equal share in dividends and other distribution made by the Company; and

(c) Subject to the rights of any other class of shares, the right to an equal share in the distribution of the surplus assets of the Company on its liquidation.

(b) Share premium

THE GROUP AND THE COMPANY	Share premium
	Rs'000
At June 30, 2018 and June 30, 2017	**920,386**

The reserve represents the premium arising upon the issue of ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

13. INTEREST-BEARING LOANS AND BORROWINGS

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current:				
Bonds (notes (a) and (d))	**425,000**	1,025,000	**425,000**	425,000
Bank loans (note (b))	**-**	150,000	**-**	150,000
Bank overdrafts (note (c))	**4**	81,723	**2**	81,723
Obligations under finance lease (note (f))	**1,158**	-	**-**	-
TOTAL	**426,162**	1,256,723	**425,002**	656,723

THE COMPANY

(a) The bond is an unsecured floating-rate bond bearing an interest of 5.85% (Bank of Mauritius repo rate + 2.35%) per annum and will mature on January 31, 2020.

(b) The bank loan has been repaid during the year ended June 30, 2018.

(c) The Company has an overdraft balance amounting to Rs. 2M as at June 30, 2018 (2017: Rs. 82M on a temporary overdraft facility of Rs. 80M). Last year, the Company had a revolving overdraft facility of Rs. 40M out of which Rs. 2.6M was used. There is no revolving overdraft facility as at June 30, 2018

THE GROUP

(d) Since the Company has transferred its shares in Hold Attitude Ltd to OXIA Hospitality Ltd, its intermediary holding company, its investment in hospitality sector has been fair valued net of the bonds value of Rs.600M in Hold Attitude Ltd. Refer to notes 5 (b) and 6 for more details. The bonds, issued by Hold Attitude Ltd, is secured by a pledge of the ordinary shares it holds in Attitude Hospitality Ltd and bear a fixed interest of 6% per annum. The bonds matured on September 30, 2018 and have been repaid from a new bond issue of Rs.700M. The new bond is secured by a pledge of the ordinary shares held by Hold Attitude Ltd in Attitude Hospitality Ltd and bearing a floating interest of 5.25% (Bank of Mauritius repo rate + 1.75%) per annum.

(e) Borrowings can be analysed as follows:-

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Within one year	**426,162**	1,256,723	**425,002**	656,723
	426,162	1,256,723	**425,002**	656,723

All the above interest bearing loans and borrowings have been classified as current in line with the restructuring plan of the Group. Refer to note 29.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

13. INTEREST-BEARING LOANS AND BORROWINGS (CONT'D)

(f) Obligations under finance lease - minimum lease payments

	THE GROUP
	2018
	Rs'000
Within one year	1,339
Future finance charges	(181)
Disclosed as current	1,158

(g) The effective interest rates and initial maturity dates at the end of the reporting date were as follows:

	Initial Maturity	THE GROUP	
		2018	2017
Bank overdrafts	On demand	PLR / PLR+1.9%	PLR / PLR+1.9%
Bonds	Sept - Oct 2018 / Jan 2020	Repo rate + 2.35%	Fixed rate 6% / Repo rate + 2.35%
Bank borrowings	Sept 2017 - Dec 2019	-	PLR+1.9%

	Initial Maturity	THE COMPANY	
		2018	2017
		Rs	Rs
Bank overdrafts	On demand	PLR+1.9%	PLR / PLR+1.9%
Bonds	Jan 2020	Repo rate + 2.35%	Repo rate + 2.35%
Bank borrowings	Sept 2017 - Dec 2019	-	PLR+1.9%

(h) The carrying amounts of the Group and the Company's borrowings are denominated in the following currencies:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Euro	**2**	-	**-**	-
Mauritian rupee	**426,160**	1,256,723	**425,002**	656,723
	426,162	1,256,723	**425,002**	656,723

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

14. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Trade payables	**1,317**	512	**260**	209
Amount due to related parties	**13,606**	28,773	**-**	24,798
Accruals and other payables	**14,535**	23,712	**13,368**	13,317
	29,458	52,997	**13,628**	38,324

Terms and conditions:

- Trade payables are non-interest bearing and are normally settled on 30 - 60 day terms.

- For terms and conditions relating to related parties, refer to note 23.

- Other payables are non-interest bearing and have an average term of twelve months. Included in other payables are interest on bank loans and bond amounting to Rs. 10.217M for the Group and the Company (2017: Group Rs. 20.528M, Company Rs. 11.553M).

15. INCOME TAX

(a) Statement of comprehensive income

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Current tax on the loss for the year - 15% (2017: 15%)	**114**	803	**114**	803
Corporate Social Responsibility ("CSR")	**15**	107	**15**	107
Under-provision in prior year income tax and CSR liability	**5**	36	**5**	36
	134	946	**134**	946

(b) Statement of financial position

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
At July 1,	**(613)**	1,820	**(613)**	1,820
Current tax on the loss for the year - 15% (2017: 15%)	**114**	803	**114**	803
CSR Charge	**15**	107	**15**	107
Under-provision in prior year income tax and CSR liability	**5**	36	**5**	36
Tax refund	**715**	-	**715**	-
Tax and CSR paid	**(305)**	(3,379)	**(305)**	(3,379)
At June 30,	**(69)**	(613)	**(69)**	(613)

15. INCOME TAX (CONT'D)

(c) Tax reconciliation

A reconciliation between the tax expense and the product of the accounting profit multiplied by the Group's and Company's applicable tax rates for the years ended June 30, 2018 and 2017 is as follows:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Profit / loss before tax	**57,616**	(146,070)	**31,132**	(234,511)
Tax at the rate of 15% (2017: 15%)	**8,642**	(21,911)	**4,670**	(35,177)
Income not subject to tax (note (a))	**(26,115)**	(6,144)	**(19,653)**	(4,043)
Expenses not deductible for tax purposes (note (b))	**15,404**	28,414	**15,097**	40,023
Annual allowances	**(75)**	(151)	**-**	-
Balancing allowances on assets scrapped	**(6)**	-	**-**	-
Under-provision in prior year income tax and CSR liability	**5**	36	**5**	36
CSR charge	**15**	107	**15**	107
Deferred tax asset not recognised	**2,264**	595	**-**	-
	134	946	**134**	946

(a) Income not subject to tax relate mainly to dividend income and fair value gain on investments designated at fair value through profit or Loss

(b) Expenses not deductible for tax purposes include entertainment, gifts, donations and legal and professional expenses.

The Group does not recognised deferred tax asset on tax losses since there is no convincing evidence that there will be taxable profit in the forthcoming years. The tax losses can be deferred for five years. The tax losses available as at June 30, 2018 & 2017 are as follows:

	THE GROUP	
	2018	2017
	Rs'000	Rs'000
At July 1,	**73,328**	96,688
Tax losses for the year	**15,087**	3,963
Tax losses expired during the year	**(16,669)**	(27,323)
At June 30,	**71,746**	73,328

16. DIVIDENDS

	2018 & 2017
	Rs'000
THE GROUP AND THE COMPANY	
Dividend declared	**Nil**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

17. REVENUE

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Dividend income	**1,820**	26,955	**1,820**	26,955
Management fees	**18,977**	20,719	**-**	-
Other revenue	**94**	182	**-**	-
	20,891	47,856	**1,820**	26,955

18. FINANCE INCOME

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Foreign Exchange Gain	**-**	652	**-**	-
Interest income on:				
- Loan to related parties	**5,943**	8,882	**5,943**	8,882
- Preference shares of related parties	**1,197**	2,374	**1,197**	2,374
- Bank savings	**4**	3	**4**	3
	7,144	11,259	**7,144**	11,259
	7,144	11,911	**7,144**	11,259

19. FINANCE COSTS

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Foreign exchange loss	**936**	1,394	**554**	1,394
Interest expense on:				
- bank overdrafts	**1,988**	11,963	**1,966**	11,958
- loans	**2,104**	14,913	**2,104**	13,677
- bonds	**25,258**	63,076	**25,258**	27,076
- loans to related parties	**-**	2,756	**-**	2,756
- finance leases	**94**	-	**-**	-
	30,380	94,102	**29,882**	56,861

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

20. ADMINISTRATIVE EXPENSES

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Staff costs	**26,435**	17,798	**-**	-
Insurance	**134**	152	**24**	-
Motor vehicle expenses	**444**	762	**-**	-
Rent of motor vehicles	**1,246**	649	**-**	-
Office rental	**3,774**	2,771	**-**	-
Audit fees	**850**	500	**850**	450
Legal and professional fees	**6,711**	5,747	**6,689**	5,601
Annual report fees	**128**	689	**128**	689
Directors and chairmanship fees	**2,015**	1,265	**2,015**	1,265
Depreciation	**459**	129	**-**	-
Licence	**266**	336	**229**	233
Business trips	**1,742**	711	**272**	-
Other expenses	**607**	1,596	**373**	1,012
	44,811	33,105	**10,580**	9,250

21. FAIR VALUE GAINS / (LOSSES) ON RECEIVABLES

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Increase in fair value on receivables	**22,645**	-	**22,645**	-
Fair value losses on receivables from related parties	**(14,711)**	(63,567)	**(14,711)**	(99,728)
Fair value movement on receivables from subsidiary	**-**	-	**3,080**	78,267
	7,934	(63,567)	**11,014**	(177,995)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

22. EARNINGS PER SHARE

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Net gain / (loss) attributable to ordinary equity holders of the parent	**57,482**	(147,016)	**30,998**	(235,457)
Number of shares ('000)				
Ordinary shares issued at July 1,	**204,094**	151,462	**204,094**	151,462
Issued shares during the year	**-**	52,632	**-**	52,632
Ordinary shares issued at June 30,	**204,094**	204,094	**204,094**	204,094
Weighted average number of shares in issue	**204,094**	102,047	**204,094**	177,778
Earnings per share				
Basic and diluted	**0.28**	(0.83)	**0.15**	(1.32)

Earnings per share has been computed based on a weighted average number of ordinary shares in issue taking into consideration the rights factor.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

23. RELATED PARTY TRANSACTIONS

THE GROUP	Interest income		Interest expense		Balance receivables		Balance payables	
	2018 Rs'000	2017 Rs'000	**2018 Rs'000**	2017 Rs'000	**2018 Rs'000**	2017 Rs'000	**2018 Rs'000**	2017 Rs'000
Investee companies:								
APEX Africa Capital Ltd	**-**	-	**-**	-	**21**	-	**-**	-
AX Holding (formerly known as UIL Holding)	**-**	-	**-**	-	**-**	34,400	**-**	-
AX International (formerly known as UIL International Ltd)	**-**	-	**-**	-	**71,664**	31,279	**-**	-
AXYS Corporate Advisory Ltd	**-**	-	**-**	-	**209**	-	**-**	-
AXYS Consulting DMCC	**441**	1,120	**-**	-	**-**	1,759	**-**	-
AXYS Finance Ltd	**-**	-	**-**	-	**8**	8	**-**	-
AXYS Group Ltd	**-**	-	**-**	-	**-**	147,754	**-**	-
AXYS Holding Ltd	**-**	-	**-**	-	**-**	14	**-**	-
AXYS Investment Partners Ltd	**45**	-	**-**	-	**3,644**	6,583	**-**	-
Flexi Drive Ltd	**-**	-	**-**	459	**-**	-	**-**	11,206
Four Oaks Advisors Ltd	**-**	-	**-**	-	**-**	156	**-**	-
FWM International Ltd	**-**	-	**-**	-	**21**	7,067	**-**	-
FWM Trustees Ltd	**-**	-	**-**	-	**21**	-	**-**	-
IFL Investment Holding Ltd	**3,169**	2,866	**-**	-	**-**	-	**-**	-
Inside Capital Partners Ltd	**-**	-	**-**	-	**-**	1,169	**-**	-
Island Catch Ltd	**-**	2,527	**-**	-	**-**	-	**-**	-
Island Fertilisers Ltd	**-**	-	**-**	-	**-**	-	**-**	-
Island Management Ltd	**-**	-	**-**	-	**-**	-	**-**	13,583
Lombard Management Services Ltd	**-**	-	**-**	-	**21**	1,183	**-**	9
Mauritius Kenya Invt Holdings Ltd	**-**	-	**-**	-	**21**	-	**-**	-
Mechanisation Company Ltd	**1,441**	959	**-**	-	**-**	5,887	**-**	-
Megabyte Investments Ltd	**506**	-	**-**	-	**-**	-	**-**	-
Neocloud Ltd	**-**	-	**-**	-	**-**	6	**-**	-
Novus Properties Ltd	**-**	-	**-**	45	**-**	-	**-**	-
NWT (Mauritius) Ltd	**-**	-	**-**	-	**4,604**	7,143	**-**	-
NWT Conseil SA	**-**	-	**-**	-	**874**	7,256	**7,862**	-
NWT Management SA	**-**	-	**-**	-	**-**	3,628	**-**	-
NWT Secretarial Ltd (formerly known as FWM Secretarial Ltd)	**-**	-	**-**	-	**21**	-	**-**	-
Quantilab Holding Ltd	**55**	58	**-**	-	**912**	860	**-**	-
Quantilab Ltd	**157**	166	**-**	-	**2,402**	2,245	**-**	-
Spice Finance Ltd	**-**	-	**-**	146	**-**	-	**5,744**	3,975
Shareholder:								
Firefox Ltd	**-**	-	**-**	2,106	**-**	-	**-**	-
Portfolio Investment and Management Limited	**-**	664	**-**	-	**-**	664	**-**	-
Enterprises with common management:								
Attitude Hospitality Ltd - Preference shares	**1,197**	2,374	**-**	-	**1,197**	2,374	**-**	-
Others:								
Director of an investee company	**129**	522	**-**	-	**-**	-	**-**	-
	7,140	11,256	**-**	2,756	**85,640**	261,435	**13,606**	28,773

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

23. RELATED PARTY TRANSACTIONS (CONT'D)

THE COMPANY

	Interest income		Interest expense		Balance receivables		Balance payables	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000	**Rs'000**	Rs'000
Investee companies:								
APEX Africa Capital Ltd	**-**	-	**-**	-	**21**	-	**-**	-
AX Holding (formerly known as UIL Holding)	**-**	-	**-**	-	**-**	34,400	**-**	-
AX International (formerly known as UIL International Ltd)	**-**	-	**-**	-	**71,664**	31,279	**-**	-
AXYS Consulting DMCC	**441**	1,120	**-**	-	**-**	23	**-**	-
AXYS Finance Ltd	**-**	-	**-**	-	**8**	8	**-**	-
AXYS Group Ltd	**-**	-	**-**	-	**-**	147,754	**-**	-
AXYS Holding Ltd	**-**	-	**-**	-	**-**	14	**-**	-
AXYS Investment Partners Ltd	**45**	-	**-**	-	**3,644**	6,583	**-**	-
Flexi Drive Ltd	**-**	-	**-**	459	**-**	-	**-**	11,206
FWM International Ltd	**-**	-	**-**	-	**21**	7,067	**-**	-
FWM Trustees Ltd	**-**	-	**-**	-	**21**	-	**-**	-
Hold Attitude Ltd	**-**	-	**-**	-	**-**	35,899	**-**	-
IFL Investment Holding Ltd	**3,169**	2,866	**-**	-	**-**	-	**-**	-
Inside Capital Partners Ltd	**-**	-	**-**	-	**-**	1,169	**-**	-
Island Catch Ltd	**-**	2,527	**-**	-	**-**	-	**-**	-
Island Management Ltd	**-**	-	**-**	-	**-**	-	**-**	13,583
Lombard Management Services Ltd	**-**	-	**-**	-	**21**	1,183		9
Mauritius Kenya Invt Holdings Ltd	**-**	-	**-**	-	**21**	-	**-**	-
Mechanisation Company Ltd	**1,441**	959	**-**	-	**-**	5,887	**-**	-
Megabyte Investments Ltd	**506**	-	**-**	-	**-**	-	**-**	-
Neocloud Ltd	**-**	-	**-**	-	**-**	6	**-**	-
Novus Properties Ltd	**-**	-	**-**	45	**-**	-	**-**	-
NWT (Mauritius) Ltd	**-**	-	**-**	-	**4,604**	7,143	**-**	-
NWT Secretarial Ltd (formerly known as FWM Secretarial Ltd)	**-**	-	**-**	-	**21**	-	**-**	-
Quantilab Holding Ltd	**55**	58	**-**	-	**912**	860	**-**	-
Quantilab Ltd	**157**	166	**-**	-	**2,402**	2,245	**-**	-
Spice Finance Ltd	**-**	-	**-**	146	**-**	-	**-**	-
Shareholder:								
Firefox Ltd	**-**	-	**-**	2,106	**-**	-	**-**	-
Portfolio Investment and Management Limited	**-**	664	**-**	-	**-**	664	**-**	-
Enterprises with common management:								
Attitude Hospitality Ltd - Preference shares	**1,197**	2,374	**-**	-	**1,197**	2,374	**-**	-
Others:								
Director of an investee company	**129**	522	**-**	-	**-**	-	**-**	-
	7,140	11,256	**-**	2,756	**84,557**	284,558	**-**	24,798

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

23. RELATED PARTY TRANSACTIONS (CONT'D)

THE GROUP	Nature of transactions	Transactions	Net balance receivables / (payables) As at June 30, 2017	Advances to / (payments by)	Transfer to intermediary holding entities	Transfer from / (to) investments	Fair value losses	As at June 30, 2018
		Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	**Rs '000**
Investee companies:								
APEX Africa Capital Ltd	Advances	21	-	21	-	-	-	**21**
AX Holding (formerly known as UIL Holding)	Advances	8,421	34,400	8,421	(42,821)	-	-	**-**
AX International (formerly known as UIL International Ltd)	Advances	40,385	31,279	40,385	-	-	-	**71,664**
AXYS Corporate Advisory Ltd	Management fees	209	-	209	-	-	-	**209**
AXYS Ltd	Advances	58,484	-	(58,484)	-	58,484	-	**-**
AXYS Consulting DMCC	Advances	1,759	1,759	(1,759)	-	-	-	**-**
AXYS Finance Ltd	Advances	-	8	-	-	-	-	**8**
AXYS Group Ltd	Advances	3,665	147,754	(3,665)	(144,089)	-	-	**-**
AXYS Holding Ltd	Advances	-	14	-	-	-	(14)	**-**
AXYS Investment Partners Ltd	Advances	2,939	6,583	(2,939)	-	-	-	**3,644**
Flexi Drive Ltd	Advances	-	(11,206)	-	11,206	-	-	**-**
Four Oaks Advisors Ltd	Advances	156	156	(156)	-	-	-	**-**
FWM International Ltd	Advances	21	7,067	21	(7,067)	-	-	**21**
FWM Trustees Ltd	Advances	21	-	21	-	-	-	**21**
IFL Investment Holding Ltd	Advances	3,544	-	3,544	-	-	(3,544)	**-**
Inside Capital Partners Ltd	Advances	585	1,169	(585)	-	-	(584)	**-**
Island Catch Ltd	Advances	10,569	-	10,569	-	-	(10,569)	**-**
Island Management Ltd	Advances	17,968	(13,583)	17,968	(4,385)	-	-	**-**
Lombard Management Services Ltd	Advances	1,153	1,174	(1,153)	-	-	-	**21**
Mauritius Kenya Invt Holdings Ltd	Advances	21	-	21	-	-	-	**21**
Mechanisation Company Ltd	Advances	1,441	5,887	1,441	(7,328)	-	-	**-**
Megabyte Investments Ltd	Advances	-	-	-	-	-	-	**-**
Neocloud Ltd	Advances	-	6	-	(6)	-	-	**-**
NWT (Mauritius) Ltd	Advances	2,539	7,143	(2,539)	-	-	-	**4,604**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

23. RELATED PARTY TRANSACTIONS (CONT'D)

THE GROUP	Nature of transactions	Transactions	Net balance receivables / (payables)					
			As at June 30, 2017	Advances to / (payments by)	Transfer to intermediary holding entities	Transfer from / (to) investments	Fair value losses	As at June 30, 2018
		Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	**Rs '000**
NWT Conseil SA	Management fees	14,244	7,256	(14,244)	-	-	-	**(6,988)**
NWT Management SA	Management fees	3,628	3,628	(3,628)	-	-	-	**-**
NWT Secretarial Services Ltd (formerly known as FWM Secretarial Services Ltd)	Advances	21	-	21	-	-	-	**21**
Pelagic Process Ltd	Advances	-	-	-	-	-	-	**-**
Quantilab Holding Ltd	Advances	52	860	52	-	-	-	**912**
Quantilab Ltd	Advances	157	2,245	157	-	-	-	**2,402**
Spice Finance Ltd	Advances	1,769	(3,975)	(1,769)	-	-	-	**(5,744)**
Shareholder:								
Portfolio Investment and Management Limited	Advances	664	664	(664)	-	-	-	**-**
Enterprises with common management:								
Attitude Hospitality Ltd - Preference shares	Interest income	1,177	2,374	(1,177)	-	-	-	**1,197**
		175,613	**232,662**	**(9,911)**	**(194,490)**	**58,484**	**(14,711)**	**72,034**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

23. RELATED PARTY TRANSACTIONS (CONT'D)

			Net balance receivables / (payables)					
THE COMPANY	**Nature of transactions**	**Transactions**	**As at June 30, 2017**	**Advances to / (payments by)**	**Transfer to intermediary holding entities**	**Transfer from / (to) investments**	**Fair value losses**	**As at June 30, 2018**
		Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	**Rs '000**
Investee companies:								
APEX Africa Capital Ltd	Advances	21	-	21	-	-	-	**21**
AX Holding (formerly known as UIL Holding)	Advances	8,421	34,400	8,421	(42,821)	-	-	**-**
AX International (formerly known as UIL International Ltd)	Advances	40,385	31,279	40,385	-	-	-	**71,664**
AXYS Consulting DMCC	Advances	23	23	(23)	-	-	-	**-**
AXYS Ltd	Advances	58,484	-	(58,484)	-	58,484	-	**-**
AXYS Finance Ltd	Advances	-	8	-	-	-	-	**8**
AXYS Group Ltd	Advances	3,665	147,754	(3,665)	(144,089)	-	-	**-**
AXYS Holding Ltd	Advances	-	14	-	-	-	(14)	**-**
AXYS Investment Partners Ltd	Advances	2,939	6,583	(2,939)	-	-	-	**3,644**
Flexi Drive Ltd	Advances	-	(11,206)	-	11,206	-	-	**-**
FWM International Ltd	Advances	21	7,067	21	(7,067)	-	-	**21**
FWM Trustees Ltd	Advances	21	-	21	-	-	-	**21**
Hold Attitude Ltd	Advances	30,606	35,899	30,606	(66,505)	-	-	**-**
IFL Investment Holding Ltd	Advances	3,544	-	3,544	-	-	(3,544)	**-**
Inside Capital Partners Ltd	Advances	585	1,169	(585)	-	-	(584)	**-**
Island Catch Ltd	Advances	10,569	-	10,569	-	-	(10,569)	**-**
Island Management Ltd	Advances	17,968	(13,583)	17,968	(4,385)	-	-	**-**
Lombard Management Services Ltd	Advances	1,153	1,174	(1,153)	-	-	-	**21**
Mauritius Kenya Invt Holdings Ltd	Advances	21	-	21	-	-	-	**21**
Mechanisation Company Ltd	Advances	1,441	5,887	1,441	(7,328)	-	-	**-**
Megabyte Investments Ltd	Advances	-	-	-	-	-	-	**-**
Neocloud Ltd	Advances	-	6	-	(6)	-	-	**-**
NWT (Mauritius) Ltd	Advances	2,539	7,143	(2,539)	-	-	-	**4,604**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

23. RELATED PARTY TRANSACTIONS (CONT'D)

THE COMPANY	Nature of transactions	Transactions	Net balance receivables / (payables): As at June 30, 2017	Advances to / (payments by)	Transfer to intermediary holding entities	Transfer from / (to) investments	Fair value losses	As at June 30, 2018
		Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	Rs '000	**Rs '000**
NWT Secretarial Services Ltd (formerly known as FWM Secretarial Services Ltd)	Advances	21	-	21	-	-	-	**21**
OXIA Ltd	Advances	-	-	-	407,591	(407,591)	-	**-**
Pelagic Process Ltd	Advances	-	-	-	-	-	-	**-**
Quantilab Holding Ltd	Advances	52	860	52	-	-	-	**912**
Quantilab Ltd	Advances	157	2,245	157	-	-	-	**2,402**
Spice Finance Ltd	Advances	-	-	-	-	-	-	**-**
Shareholder:								
Portfolio Investment and Management Limited	Advances	664	664	(664)	-	-	-	**-**
Enterprises with common management:								
Attitude Hospitality Ltd - Preference shares	Interest income	1,177	2,374	(1,177)	-	-	-	**1,197**
		184,477	**259,760**	**42,019**	**146,596**	**(349,107)**	**(14,711)**	**84,557**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

23. RELATED PARTY TRANSACTIONS (CONT'D)

KEY MANAGEMENT PERSONNEL COMPENSATION

	THE GROUP	
	2018	2017
	Rs'000	Rs'000
Salaries and short-term employee benefits	**13,100**	11,177

(i) Key management personnel includes executive directors, non-executive directors and top level management personnel. The compensation includes short-term employee benefits only.

(ii) The loans owed to/by related parties are unsecured, carry interest rates which vary from 8.15% - 10% and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

24. FINANCIAL INSTRUMENTS

Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Except where stated elsewhere, the carrying amounts of the Group's and the Company's financial assets and liabilities approximate their fair values.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial risk factors

The Group's principal financial liabilities comprise of obligations under finance leases, bank loans, bank overdrafts and trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group and the Company's operations.

The Group has various financial assets, such as investments designated at fair value through profit or loss, trade and other receivables and cash and short term deposits which arise directly from its operations.

The main risks arising from the Group's financial instruments are:

- Interest rate risk;
- Credit risk;
- Liquidity risk;
- Equity price risk; and
- Foreign currency risk

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect of the Group's financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks. A description of the significant risk factors is given below together with the risk management policies applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Financial risk factors (Cont'd)

(i) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's and Company's bank overdrafts and bank loans with floating interest rates. Interest rate risks are not hedged.

The Group's income and operating cash flows are exposed to interest rate risk as it sometimes borrows at variable rates. The Group's policy is to manage its interest rate risk by using a mix of fixed and variable rate debts. Changes in market interest rate would also impact on the interest income of the loan to related parties, which would mitigate the Group's and Company's exposure to interest costs.

Interest rate risk table

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and Company's profit before tax. The impact on equity will be of the same amount.

- Impact on floating rate borrowings:

	THE GROUP		THE COMPANY	
	Increase / decrease in interest rate	Effect on loss before tax	Increase / decrease in interest rate	Effect on loss before tax
	(basis points)	Rs'000	%	Rs'000
June 30, 2018	+1	4,250	+1	4,250
	-1	(4,250)	-1	(4,250)
June 30, 2017	+1	12,567	+1	6,567
	-1	(12,567)	-1	(6,567)

(ii) Credit risk

The Group being an investment holding deals mainly with related parties through advances and current accounts. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Since the Group and the Company trade mainly with related companies, there is no requirement for collateral.

The Group and the Company have no significant concentration of credit risk, with exposure spread over a large number of related entities.

(iii) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group aims at maintaining flexibility in funding by keeping reliable credit lines available. Management is responsible for liquidity and funding. The Group has minimised its liquidity risk by ensuring that it has adequate banking facilities and reserve borrowing capacity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Financial risk factors (Cont'd)

(iii) Liquidity risk management (Cont'd)

The table below summarises the maturity profile of the Group's and Company's financial liabilities at year end based on contractual undiscounted payments.

	THE GROUP				
Financial Liabilities	**On demand**	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
June 30, 2018					
Interest bearing loans and borrowings	**-**	**474,725**	**-**	**-**	**474,725**
Financial guarantees	**-**	**76,700**	**-**	**-**	**76,700**
Trade payables	**-**	**14,923**	**-**	**-**	**14,923**
Bank overdrafts	**4**	**-**	**-**	**-**	**4**
	4	**566,348**	**-**	**-**	**566,352**

	THE GROUP				
Financial Liabilities	On demand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 30, 2017					
Interest bearing loans and borrowings	-	1,308,959	-	-	1,308,959
Financial guarantees	-	219,932	-	-	219,932
Trade payables	-	29,285	-	-	29,285
Bank overdrafts	81,723	-	-	-	81,723
	81,723	1,558,176	-	-	1,639,899

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Financial risk factors (Cont'd)

(iii) Liquidity risk management (Cont'd)

	THE COMPANY				
	On demand	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Total**
Financial Liabilities	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
June 30, 2018					
Interest bearing loans and borrowings	**-**	**474,725**	**-**	**-**	**474,725**
Financial guarantees	**-**	**76,700**	**-**	**-**	**76,700**
Trade payables	**-**	**260**	**-**	**-**	**260**
Bank overdrafts	**2**	**-**	**-**	**-**	**2**
	2	**551,685**	**-**	**-**	**551,687**

	THE COMPANY				
	On demand	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
Financial Liabilities	Rs'000	Rs'000	Rs'000	Rs'000	Rs'000
June 30, 2017					
Interest bearing loans and borrowings	-	653,470	-	-	653,470
Financial guarantees	-	219,932	-	-	219,932
Trade payables	-	25,007	-	-	25,007
Bank overdrafts	81,723	-	-	-	81,723
	81,723	898,409	-	-	980,132

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Financial risk factors (Cont'd)

(iv) Equity price risk management

The Group and Company are susceptible to equity market price risk arising from uncertainties about future prices of the equity securities because of investments designated at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group and the Company diversify their portfolio.

Sensitivity analysis

Refer to note 9 on IFRS 13 disclosure.

(v) Foreign currency risk

The Group operates internationally and are exposed to foreign exchange risk arising from currency exposures with respect to Euro ("EUR"), Swiss Franc ("CHF") and United States Dollar ("USD"). The Group has bank accounts, current accounts in these foreign currencies.

The following table demonstrates the sensitivity of the Group's profit before tax following a reasonable possible change only in the foreign exchange rates of EUR, CHF & USD vis a vis Mauritian Rupees. This exercise is based on revalued foreign currency balances at year end.

		THE GROUP		THE COMPANY	
	Increase/decrease in exchange rate	**2018**	2017	**2018**	2017
	%	**Rs'000**	Rs'000	**Rs'000**	Rs'000
EUR in relation to Rs.	+5	**-**	1	**-**	-
	-5	**-**	(1)	**-**	-
CHF in relation to Rs.	+5	**(349)**	544	**-**	-
	-5	**349**	(544)	**-**	-
USD in relation to Rs.	+5	**1,931**	3,881	**1,920**	3,786
	-5	**(1,931)**	(3,881)	**(1,920)**	(3,786)

(b) Capital risk management

The Group and the Company manage their capital to ensure the Group and the Company is financially sustainable while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group and the Company manage their capital structure and make adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by total capital plus debt. The Group's and the Company's strategy was to maintain the debt-to-adjusted capital ratio at the lower end, in order to secure access to finance at a reasonable cost. The Group and the Company include within net debt, interest-bearing loans and borrowings, less cash in hand and at bank. Total capital is calculated as "equity" as shown in the statement of financial position less net unrealised gains reserves.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Capital risk management (Cont'd)

The gearing ratios at June 30, 2018 and June 30, 2017 were as follows:

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest-bearing loans and borrowings	**426,162**	1,256,723	**425,002**	656,723
Less cash in hand and bank balances	**(1,259)**	(25,525)	**(393)**	(25,434)
Net debt	**424,903**	1,231,198	**424,609**	631,289
Total equity	**2,324,465**	2,266,983	**2,329,663**	2,298,665
Capital and net debt	**2,749,368**	3,498,181	**2,754,272**	2,929,954
Gearing ratio	**15%**	35%	**15%**	22%

The Company's stategy, which is unchanged from 2017, is to maintain the debt-to-adjusted capital ratio at the lower end, in order to secure finance at a reasonable cost. The fall in the gearing level is in line with the proposed Scheme of Arrangement (refer to note 29) whereby the Company has reassigned during the year its bank loans to its intermediary holding entities.

26. COMMITMENTS

(a) Capital commitments

At June 30, 2018, the Group had no capital commitments.

(b) Guarantees

As part of the Company's restructure plan, the following guarantees which were given as at June 30, 2017 have been re-assigned to the intermediate holding

- Lease guarantee of Rs. 52.7M provided by the Company in favour of Gladius Limitee
- Financial bank guarantee of Rs. 12M provided by UIL in favour of facilities taken by Pelagic Process Ltd
- Floating Charge on assets of the Company for Rs. 15M in favour of facilities taken by SCETIA Ltee

27. OPERATING LEASE COMMITMENTS

(a) The Company has commitments under non-cancellable operating leases as follows:

	THE GROUP	
	2018	2017
	Rs'000	Rs'000
Within one year	**790**	435
After one year and but not more than five years	**2,261**	1,630
	3,051	2,065

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

27. OPERATING LEASE COMMITMENTS (CONT'D)

(b) Operating lease commitments relate only to rental of motor vehicles with lease terms of 5 years.

The Company initially entered into a lease agreement for office space occupied by the Company with NWT (Mauritius) Ltd and with Spice Finance Ltd for the rental of premises, furniture, fixtures and fittings, other equipment and related expenses.The lease agreement has been reassigned to AXYS Services Ltd during the year. The lease duration period is for 10 years. Office rental expense and recharge of expenses are based on the number of employees each month and utilities consumption for specific expenses. As such, rental expenses are variable and are recognised when invoices are received. Management believes that the Company's adoption of the invoicing amount on a systematic basis, rather than straight lining, duly reflects the time pattern of the user's benefits of the operating lease. In this effect, no disclosure has been made for the forthcoming commitments presented by this operating lease agreement. Hence, Management is of opinion that the future aggregate minumum lease payments for the lease agreement is difficult to forecast.

28. SUBSTANTIAL SHAREHOLDERS

At June 30, 2018, the following shareholders held more than 5% of the ordinary share capital of the Company:

	Direct	Indirect	Effective
	%	%	%
Terra Mauricia Ltd	**29.0**	-	**29.0**
Firefox Ltd	**20.6**	-	**20.6**
Portfolio and Investment Management Ltd	**9.0**	-	**9.0**
Michel Guy Rivalland	**8.7**	-	**8.7**
Jason Limited	**5.4**	-	**5.4**

29. RESTRUCTURING PLAN

As per the board minutes dated the July 28, 2017 in line with the Company's internal restructure plan, United Investments Ltd has transferred most of its assets and liabilities into two seperate newly formed entities, namely AXYS Ltd ('AXYS') and OXIA Ltd ('OXIA'), which represent the financial and non-financial investment clusters of the Company respectively. Most of the assets have been transferred effective on July 1, 2017 whereas liabilities would be transferred as and when the concerned parties give their approval. The underlying operating entities which were designated at fair value through profit or loss were transferred as follows: all financial services investments were transferred to AXYS Ltd and non-financial services investments either to OXIA Ltd, or to OXIA Agro Ltd (agriculture), OXIA Hospitality Ltd (hospitality) or OXIA Tech Ltd (technology), which are fully owned entities of OXIA Ltd.

Most of the investments designated at fair value through profit or loss have been transferred at the fair value price determined as at June 30, 2017, whereas the amount receivable and payable from related parties and interest-bearing loans and borrowings have been transferred at carrying value at the transfer date. The Company has investments in two quoted assets, namely Les Gaz Industriels Ltd and Novus Properties Ltd, which will be transferred to OXIA Tech Ltd and OXIA Ltd respectively, through off market transfers and within the proposed Scheme of Arrangement.

Following the internal restructuring, the acquisition of the assets and liabilities by OXIA Ltd and AXYS Ltd should be treated as a business combination involving entities under common control. The restructuring involves entities or businesses under common control meaning all the combining entities or businesses are ultimately controlled by the same party or parties, (i.e. United Investments Ltd), both before and after the business combination.

The Board of Directors of the Company shall propose to the shareholders to vote on the proposed Scheme of Arrangement, whereby the shares of the Company will be exchanged for shares in AXYS Ltd and OXIA Ltd so that the shareholders of the Company will become shareholders of AXYS Ltd and OXIA Ltd, with the same exact number of shares held in each of the entity and no dilution thereof. The end result would be that the Company will be held by both AXYS Ltd and OXIA Ltd. Following approval from the shareholders, the Company shall proceed with an application to the Supreme Court to sanction the Scheme of Arrangement (the 'Scheme'). The Scheme shall become effective three weeks after the sanction order has been received. AXYS Ltd and OXIA Ltd will seek admission on the Stock Exchange of Mauritius, once the Supreme Court sanctions the Scheme (see note 31).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

29. RESTRUCTURING PLAN (CONT'D)

The movements of the Group's assets and liabilities transferred during the year can be analysed as follows:

			Post-transfer		
Type	**As at June 30, 2017**	**Transfer to intermediary holding entities**	**AXYS Ltd**	**OXIA Ltd**	**United Investments Ltd & AXYS Treasury Ltd**
	Rs'000	**Rs'000**	**Rs'000**	**Rs'000**	**Rs'000**
THE GROUP					
Assets held for distribution					
Motor vehicles and equipment	263	-	-	-	263
Investments designated at fair value through profit or loss:					
Chemicals	55,025	(55,025)	-	55,025	-
Commercial	132,582	(132,582)	-	132,582	-
Energy	33,199	-	-	-	33,199
Engineering	88,921	(88,921)	-	88,921	-
Financial services	1,770,468	(1,377,372)	1,377,372	-	393,096
Fishing	53,372	(53,372)	-	53,372	-
Fleet management	2,142	(2,142)	2,142	-	-
Hospitality	967,108	(967,108)	-	967,108	-
Investment property	7,119	-	-	-	7,119
Laboratory	30,000	(30,000)	-	30,000	-
Technology	38,533	(38,533)	-	38,533	-
Other	115	-	-	-	115
Short term receivables	101,173	-	-	-	101,173
Other financial assets	2,500	-	-	-	2,500
Trade and other receivables	267,703	(188,047)	182,154	5,893	79,656
Prepayments	342	-	-	-	342
Current tax assets	613	-	-	-	613
Cash and cash equivalents	25,525	-	-	-	25,525
Total assets held for distribution	3,576,703	(2,933,102)	1,561,668	1,371,434	643,601
Liabilities classified as held for distribution					
Trade and other payables	(52,997)	(11,206)	(11,206)	-	(41,791)
Interest-bearing loans and borrowings:					
Bonds	(1,025,000)	(600,000)	-	(600,000)	(425,000)
Bank loans	(150,000)	(150,000)	(75,000)	(75,000)	-
Bank overdrafts	(81,723)	(81,723)	(40,861)	(40,862)	-
Total liabilities held for distribution	(1,309,720)	(841,206)	(126,206)	(715,000)	(466,791)
	2,266,983	(3,774,308)	1,435,462	656,434	176,810

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

30. GOING CONCERN

Following the restructuring plan of the Company, the Board of Directors shall propose to the shareholders to vote on the proposed Scheme of arrangement. Under the restructuring plan AXYS Ltd and OXIA Ltd will respectively hold 64% and 36% of the shareholding of the Company.

This indicates that the Company will no longer be a going concern. Since the Company is the holding company of the Group, the assets and liabilities of the Group have been classified as held for distribution at the reporting date.

IAS 1- Presentation of financial statements and IAS 10- Events after reporting period require that the financial statements should not be prepared on a going concern basis if management determines that it intend to liquidate the entity or cease trading. The directors have considered an alternative basis of preparation but believe that IFRS as a basis of preparation best reflects the financial position and performance of the entity. The carrying value of the assets, which were determined in accordance with the accounting policies, have been reviewed for possible impairment and changes which have occurred since the year end and consideration has been given to whether any additional provisions are necessary as a result of management intention to liquidate the Company in the foreseeable future. It is expected that all assets and liabilities will be transferred at least at the amounts at which they are included in the statement of financial position and there will be no material additional liabilities.

31. EVENTS AFTER THE REPORTING DATE

After the reporting date, the Board of Directors convened a Special Meeting of the shareholders of the Company on November 19, 2018 to approve the proposed Scheme of Arrangement, which entails a share exchange between the Company, AXYS Ltd and OXIA Ltd. Every one share held by the shareholders of the Company will be exchanged for one share in AXYS Ltd and one share in OXIA Ltd, the resulting impact is that AXYS Ltd and OXIA Ltd will respectively hold 64% and 36% of the shareholding of the Company. The resolution has been approved. The Company shall now proceed with its application to the Supreme Court to sanction the Scheme of arrangement.

On October 1, 2018, Hold Attitude Ltd issued new bonds aggregating to Rs.700M, secured by a pledge of the ordinary shares it holds in Attitude Hospitality Ltd and bearing a floating interest of 5.25% (Bank of Mauritius repo rate + 1.75%) per annum. The proceeds of the issue have been used to fully repay the previous bond of Rs. 600M.

32. SEGMENTAL REPORTING

In prior years the Group was managing the operating results of its business on a "company" basis for the purpose of making decisions about resource allocation and performance assessment. As such, no segmental reporting was given.

Since the current financial year the Group is organised into financial and non-financial clusters.

The Board of Directors is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business by clusters for the purpose of making decisions about resource allocation and performance assessment. The Company being an investment entity, segment performance is evaluated based on the fair value of investments portfolios.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

32. SEGMENTAL REPORTING (CONT'D)

For management purposes the Group is organised into clusters based on its products and services and it has two reportable segments as follows:

Financial services segment which includes the following businesses:

AXYS

AXYS Investment Partners ("AIP") – Asset Management
Flexi Drive - Fleet Management
SPICE Finance Ltd – Leasing and deposit taking services
AXYS Stockbroking – Brokerage services
NWT (Mauritius) ("NWT") - Fiduciary services
Frontière Finance ("FF") - Fiduciary services

Global Investees

APEXAFRICA Capital (Nairobi, Kenya) – Brokerage services
NWT Management & Conseil (Geneva, Switzerland) - Fiduciary
AXYS Corporate Advisory ("ACA") – Corporate Finance services

Non financial services segment which includes the following businesses:

OXIA

OXIA AGRO

Mechanization Company ("MECOM") – Sale& service of heavy machinery &equipment, Harvesting Operations, Hydraulics & Tyres
Island Renewable Fertilizers ("IRFL") – Sale and Application of liquid fertilisers
Island Chemicals ("ICL") – Sale of Agrochemicals products, equipment, accessories and greenhouses

OXIA TECH

Quantilab – Life Sciences
Megabyte Investment – Information Technology
EMINEO – Engineering
Les Gaz Industriels ("LGI") – Manufacturing & Commerce

OXIA HOSPITALITY

Attitude Hospitality ("AHL") – Hotel Management

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

32. SEGMENTAL REPORTING (CONT'D)

The table below represents the fair value of investments per cluster.

	THE GROUP AND THE COMPANY
	2018
	Rs'000
Financial services ("AXYS")	1,592,018
Non-financial services	
Agriculture ("OXIA Agro")	155,436
Hospitality ("OXIA Hospitality")	779,880
Technology ("OXIA Tech")	89,781
Energy	26,786
Investment property	8,561
	2,652,462

Geographical

	Mauritius	Europe	Others	Total
	Rs'000	Rs'000	Rs'000	Rs'000
Financial services ("AXYS")	714,243	842,775	35,000	1,592,018
Non-financial services				
Agriculture ("OXIA Agro")	155,436	-	-	155,436
Hospitality ("OXIA Hospitality")	779,880	-	-	779,880
Technology ("OXIA Tech")	89,781	-	-	89,781
Energy	26,786	-	-	26,786
Investment property	8,561	-	-	8,561
	1,774,687	842,775	35,000	2,652,462

	Total	Financial	Non Financial	Others
THE GROUP	Rs'000	Rs'000	Rs'000	Rs'000
Profit before tax	57,616	(92,363)	224,821	(74,842)
THE COMPANY				
Profit before tax	31,132	(109,225)	177,850	(37,493)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

33. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	THE GROUP		THE COMPANY	
	2018	2017	**2018**	2017
	Rs'000	Rs'000	**Rs'000**	Rs'000
Interest bearing loans and borrowings excluding bank overdraft	**1,175,000**	1,204,123	**575,000**	573,333
Repayment of loan	**(150,000)**	(152,945)	**(150,000)**	(123,333)
Transfer to current accounts	**-**	(1,178)	**-**	-
Transferred under intermediate holding	**(600,000)**	-	**-**	-
New lease	**1,393**	-	**-**	-
Repayment of lease	**(235)**	-	**-**	-
New loan	**-**	125,000	**-**	125,000
Total liabilities from financing activities	**426,158**	1,175,000	**425,000**	575,000

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